

# HERALD TRIBUNE

Published With The New York Times and The Washington Post

PARIS, THURSDAY, OCTOBER 16, 1986

ESTABLISHED 1887

## Congress Approves 987 Spending Bill for U.S. Military

### LATE NEWS

#### Managua Cites Link to CIA

MANAGUA (AP) — An American captured in Nicaragua has identified himself as a CIA employee in El Salvador at one of the 10 years ago, a Nicaraguan government official said. The deputy interior minister, Carlos Cruz, said that until Medina, identified last week by the captured American as Jorge Hernandez, is one of the Cuban-American CIA employees working at the military base in Managua, said Cruz. Cruz said that until Medina, identified last week by the captured American as Jorge Hernandez, is one of the Cuban-American CIA employees working at the military base in Managua, said Cruz.

#### Extra Findings

HOUSTON (AP) — The city of Houston, Texas, has been named the most popular city in the United States for the year 1986, according to a survey by the National Geographic Society.

#### General News

The draft constitution for the Philippines has been shaped by a majority of former Philippine officials and members of the Philippine government.

#### Finance

A close look at Columbia's Page 7.

#### Business/Finance

The EC warned that economic growth in 1987 will be too slow to reduce unemployment significantly.

By Helen Dewar

Washington Post Service

WASHINGTON — Congress approved Wednesday and sent to President Ronald Reagan a \$292-billion 1987 defense spending bill that contains congressional concessions on arms control that had been demanded by President Ronald Reagan.

The defense bill had been approved Tuesday night by the House and was later incorporated into the overall spending plan.

Mr. Reagan's budget director, James C. Miller 3d, said Wednesday that the House bill was a compromise between the House and the Senate.

In other action Wednesday, Congress acted on the following issues:

• The House approved, 238-173, and sent to the Senate a comprehensive bill to overhaul the nation's immigration laws and grant amnesty to some illegal aliens, while restricting employment on newly arrived aliens. The bill would impose U.S. immigration law in 20 years.



A victim of a grenade attack Wednesday night at the Western Wall in Jerusalem is treated.

## Jerusalem Grenade Attack Kills One, Wounds 70 After Western Wall Rite

By Helen Dewar

JERUSALEM — One person was killed and 70 were wounded Wednesday night when three hand grenades were thrown at Israeli soldiers and their relatives at the Western Wall.

The attack was the most serious in Jerusalem since Arab gunmen killed one person and injured 47 in April 1984.

The grenades were thrown as new recruits from the Givati Infantry Brigade and their parents were gathered for a ceremony at the Western Wall.

The Western Wall, witnesses and the security authorities said.

The military said the soldiers had just finished their basic training and were returning to a car park after being handed guns and rifles at the floodlight ceremony.

The police confirmed that the attack was the most serious in Jerusalem since Arab gunmen killed one person and injured 47 in April 1984.

The grenades were thrown as new recruits from the Givati Infantry Brigade and their parents were gathered for a ceremony at the Western Wall.

The Western Wall, witnesses and the security authorities said.

The military said the soldiers had just finished their basic training and were returning to a car park after being handed guns and rifles at the floodlight ceremony.

The police confirmed that the attack was the most serious in Jerusalem since Arab gunmen killed one person and injured 47 in April 1984.

The grenades were thrown as new recruits from the Givati Infantry Brigade and their parents were gathered for a ceremony at the Western Wall.

## Gorbachev Says Talks On Arms Cannot Be Split

### In Bonn, Aide Contradicts Soviet Chief

By Gary Lec

Washington Post Service

MOSCOW — Mikhail S. Gorbachev said Wednesday that the disarmament proposals he made at the Reykjavik meeting forming a package that could not be split up.

Mr. Gorbachev's statement, which was also reported by Tass, contradicted Viktor K. Karpov, the chief Soviet arms negotiator, who said in Bonn that Moscow was willing to pursue separate negotiations toward an agreement to reduce medium-range missiles in the arms talks in Geneva.

The apparent conflict increased confusion among Western diplomats and U.S. officials in Moscow about whether progress made at the Reykjavik meeting last weekend could be salvaged even though the talks with President Ronald Reagan ended without agreement.

Mr. Karpov, echoing similar statements he made Tuesday in London, said that Moscow was ready for separate talks on intermediate nuclear forces. Karpov said that Gorbachev had not forged a permanent link between intermediate forces and SDI.

"It has always been our position that INF can be dealt with and agreed upon as a separate issue," Mr. Karpov said. "We are ready to discuss and solve this question separately if there is willingness on the part of the United States."

At the Reykjavik meeting, both sides appeared close to dramatic bilateral reductions in medium-range missiles and strategic arms, but Mr. Reagan did not accept the Soviet demand that such reductions be linked to restrictions on research into the U.S. Strategic Defense Initiative, the space-based defense system.

"Everything is in a package," Mr. Alfonsi said after meeting with Mr. Gorbachev. "It is impossible to single out anything."

In another statement aimed at uncertainty about the linkage issue, Colonel General Nikolai F. Chervov said at a Moscow press conference that the SDI dispute did not exist.

See ARMS, Page 2



Thomas P. O'Neill Jr., speaker of the House, listens to Ronald Reagan as he briefs legislators on the Iceland talks.

## Reagan Leading Effort To Alter View of Talks

By Bernard Weinraub

New York Times Service

WASHINGTON — White House officials, expressing unhappiness over new accounts of President Ronald Reagan's stance in his meeting with Mikhail S. Gorbachev, have begun one of the most extensive public relations efforts of the Reagan presidency.

The officials said their goal was to reverse the emphasis of newspapers.

U.S. experts believe Russia has already tested its own SDI-type weapons. Page 6.

per and television reports that, in their view, portrayed Mr. Reagan's address to the Strategic Defense Initiative, or SDI, as the major reason for the leaders' failure to agree on a major arms control accord in their meeting in Iceland.

Mr. Reagan and his advisers Tuesday began a series of interviews and speeches that, according to White House officials, were aimed at placing the blame for the outcome on the Soviet leader.

The Soviet Union hurried to present its own version of the meeting, with Mr. Gorbachev making a television appearance Tuesday night and waving a series of visits to West Europe starting in October.

As part of the effort to get domestic support and counter potential criticism abroad, Larry

Speakes, the White House spokesman, said Tuesday that all officials would speak on the record.

"It is a part of our policy on this meeting to tell everything, to be totally open and to answer questions on the record and by name attached to the individual talking," Mr. Speakes said.

Such a policy is an extraordinary move in an administration where the officials, like their recent predecessors, prefer that their comments to the press remain anonymous.

The decision places such officials as Secretary of State George P. Shultz, Donald T. Regan, the White House chief of staff, and Vice Admiral John M. Padgett, the head of the National Security Council, as well as Mr. Reagan at the center of a television, newspaper and magazine firestorm to challenge Soviet reports and increase support for the U.S. plan to build a missile defense system in space.

"From the early instant analysis, all you got was that the summit collapsed because the president was intransigent on SDI," said Patrick J. Buchanan, director of White House communications. "That's simplistic and false. We have the whole story. So Reagan, Shultz, Padgett and the president are going on the record and making many points as we can tell the story."

Mr. Buchanan called the administration's move to alter the story.

See PERSUADE, Page 2

## Share Nobel Prize Award for Microscopy Work

By Richard Wallis

Reuters

STOCKHOLM — The 1986 Nobel Prize in Physics was awarded Wednesday to three European scientists for their practical work in field microscopy, the Swedish Academy of Sciences said.

The prize in chemistry went to three American scientists for their work on how chemical reactions occur.

A physics prize was awarded to three scientists for their work on the first microscope in 1933, and to three scientists for their work on the first microscope in 1933, and to three scientists for their work on the first microscope in 1933.

The prize in chemistry went to three American scientists for their work on how chemical reactions occur.



A model of the scanning tunneling microscope, whose inventor, Ernst Ruska, a West German scientist, has been awarded a share of the 1986 Nobel Prize in Physics.

Ernst Ruska, a West German scientist, has been awarded a share of the 1986 Nobel Prize in Physics.

The work of the three scientists in the field of microscopy is crucial for both the electronic industry and biological research.

Professor Sven Johansson of the Swedish academy said that Professor Ruska's invention of the electron microscope was one of the most important discoveries of the 20th century and was vital for the study of viruses and bacteria.

The electron microscope "yields" the electron composition of an object, thus creating an image. This differs from the powerful conventional microscope, which uses a lens to magnify an image.

Mr. Ruska and Mr. Robert developed Professor Ruska's idea to produce the first scanning tunneling microscope, which uses a minute stylus to scan the surface of an object atom by atom.

The development of the scanning tunneling microscope was in its initial stages, but Professor Johansson said scientists believed it would eventually allow the industrial production of tiny computer chips the size of an atom. In biological research, it is used to study DNA molecules. DNA is the genetic signature of a cell.

## S. Airlines Announce Higher Fares

By Robert E. Dallos

Los Angeles Times Service

NEW YORK — In a move likely to bring about a new era of higher fares, U.S. airlines announced Tuesday that they will increase fares by 25 to 30 percent.

The airlines said the price increase would be effective Oct. 26. United's major carrier, Delta, followed suit.

Airline spokesmen conceded that they were able to take the step not only because of improved business but also because of the recent spike in airline fares, the bankruptcy of Frontier Airlines and the financial woes of People Express.

"Traffic has been increasing in the last two months," said Robert Carey, a spokesman for American Airlines, a competing carrier in Washington. "With that kind of a strong improvement in traffic, the airlines felt it was now time to raise fares to levels that would give them profitability."

Mr. Carey said that he expected the fare increase to be in line with "cost-driven fare levels."

Largely because of fare cutting, the industry suffered a \$600-million loss in the first quarter of 1986, compared to a profit of \$86 million in the same period in 1985.

The airlines will increase regular fares and discounted fares by 25 to 30 percent for distances under 1,000 miles (1,600 kilometers) and 25 to 30 percent for longer routes.

These 25 to 30 percent increases will be long regular and discounted coach and excursion fares in their current relationship to each other and will spread the increase equally over all traffic, said Charles Novak, a United spokesman.

The cheapest fare, requiring purchase 30 days in advance, will be below the level of May 1985, he said.

For example, the advance-purchase discount fare for a round-trip flight between New York and Los Angeles will rise \$20, to \$218. Regular one-way coach fare between the two cities will increase \$20, to \$210.

Fare went last summer to poor business for U.S. airlines. During July, the average fare dropped to 10.74 cents a mile from 12.48 cents during all of 1985.

The airlines will increase regular fares and discounted fares by 25 to 30 percent for distances under 1,000 miles (1,600 kilometers) and 25 to 30 percent for longer routes.

These 25 to 30 percent increases will be long regular and discounted coach and excursion fares in their current relationship to each other and will spread the increase equally over all traffic, said Charles Novak, a United spokesman.

The cheapest fare, requiring purchase 30 days in advance, will be below the level of May 1985, he said.

For example, the advance-purchase discount fare for a round-trip flight between New York and Los Angeles will rise \$20, to \$218. Regular one-way coach fare between the two cities will increase \$20, to \$210.

Fare went last summer to poor business for U.S. airlines. During July, the average fare dropped to 10.74 cents a mile from 12.48 cents during all of 1985.



Bombay municipal employees dismantle huts in a slum near an expensive office complex.

## Bombay: High Prices in a Poor City

Dynamic City Is Dream Destination for Many Indians

By Ronc Temper

Los Angeles Times Service

BOMBAY — By most standards, Bombay is one of the poorest cities in the world. More than half of its eight million people live in squatters' shacks.

Yet real estate in prime areas such as Malabar Hill and Nariman Point is among the most expensive on earth, as expensive as in Hong Kong or Manhattan.

Foreign companies often pay as much as \$5,000 a month for apartments for junior officers. That is 20 times India's per capita income of \$250 a year.

Office space is no less expensive. The Bank of America recently considered expanding into India by building a new office and a bank branch in the city's problems took place in March at a slum called Sanjay Gandhi Nagar in Cuffe Parade, a fashionable center of 300 huts in the shadow of several of Bombay's most modern office buildings.

Police and municipal workers arrived one morning with bulldozers and trucks and, in a matter of hours, cleared the area of the huts and the 140 people who lived in them.

Their plight generated a wave of public sympathy after one of India's best-known actresses, Shabana Azmi, undertook a "fast until death" in their behalf. After five days, she won a promise from the state government that new housing would be found.

A number of locations have been suggested for See BOMBAY, Page 2

"Comments fall off and are out to pieces before the buzzed eyes of their fellow passengers," according to a Times of India columnist, Prem Shankar Jha, "but such tragedies have long since ceased to be news."

Commenting to the inner city by bus or any other form of transport takes several hours, for all traffic must pass through a congested corridor.

Twenty years ago, Charles Correa, a Bombay architect, drew up an ambitious project to save the city by moving most government offices buildings and several major business centers the way to a development area on the mainland. The plan was approved by the Maharashtra state government in 1969 but has since been virtually ignored.

A graphic example of potential insensitivity to the city's problems took place in March at a slum called Sanjay Gandhi Nagar in Cuffe Parade, a fashionable center of 300 huts in the shadow of several of Bombay's most modern office buildings.

Police and municipal workers arrived one morning with bulldozers and trucks and, in a matter of hours, cleared the area of the huts and the 140 people who lived in them.

Their plight generated a wave of public sympathy after one of India's best-known actresses, Shabana Azmi, undertook a "fast until death" in their behalf. After five days, she won a promise from the state government that new housing would be found.

A number of locations have been suggested for See BOMBAY, Page 2

## Soviet Boosts Kabul Force, Zia Alleges

By Molly Moore

Washington Post Service

RAWALPINDI, Pakistan — President Muhammad Zia ul-Haq of Pakistan said Wednesday that intelligence reports showed that the Soviet Union has secretly added twice as many new troops in Afghanistan as it plans to pull out.

The Soviet Union has secretly added twice as many new troops in Afghanistan as it plans to pull out.

General Zia, speaking to Western journalists on the eve of a meeting with the U.S. defense secretary, Casper W. Weinberger, said that over the past three months the Soviet Union has sent 15,000 troops to its existing force of about 118,000 in Afghanistan, according to Pakistani intelligence reports.

The allegations came as General Zia said he was preparing to use his meeting with Mr. Weinberger to push the United States to let Pakistan an advanced air warning system because of increasing Soviet threats on the Pakistan-Afghanistan border.

Soviet officials last week accused Mr. Weinberger of lying when he accused them of replenishing the troops they had vowed to withdraw with an equal number of fresh troops. Mr. Weinberger replied that U.S. intelligence reports said the Soviet Union had added more troops than it had withdrawn.

Neither Mr. Weinberger nor General Zia said they had hard evidence.

"We have suffered a rare defeat," General Zia said, referring to earlier Soviet announcements of troop withdrawals from Afghanistan. "This time we hope it is not a defeat."

The Pakistani leader is to meet Thursday with Mr. Weinberger, who first visited Pakistan in 1983. General Zia said he also would discuss possible use of American aircraft for surveillance missions on the border.

U.S. officials said, however, that the United States was not prepared to sell the costly Airborne Warning and Control System planes, known as AWACS, to Pakistan.

U.S. officials said they have discussed possible air surveillance exercises on the Pakistani border.

See ZIA, Page 2

## Vote Expected to Aid Bangladesh Leader

By Steven R. Weisman  
New York Times Service

DHAKA, Bangladesh — Bangladesh held a presidential election Wednesday that was boycotted by the opposition but was still seen as allowing President Hussain Mohammad Ershad to strengthen his grip on the country after he lifted martial law, as he has said he intends to do next month.

Because of the opposition boycott, General Ershad was considered certain to be declared the winner in the race even before the votes were counted. Early returns Wednesday evening confirmed that he was receiving 90 percent of the votes against 11 lesser known aspirants.

However, indications of widespread fraud and a low voter turnout in many areas, particularly the capital city of Dhaka, raised doubts about whether the election will confer legitimacy on General Ershad.

He has ruled Bangladesh since seizing power in a military coup in 1982, but he has now formed his own political party and resigned as army chief of staff with the intention of winning a five-year term as the country's elected president.

Reporters in Dhaka and the nearby countryside found many instances of empty or nearly empty polling places where election officials were reporting heavy turnout. Some voters were seen with more than one purple stamp on their hands, indicating that they had cast ballots more than once.

At one polling place in the busy port district of Dhaka, many residents said they had tried to vote, only to discover that someone had already cast ballots in their name. In other districts of the capital and in rural areas, there were dozens of people waiting to vote but not as many as was suggested by the official turnout.

The election Wednesday followed a government crackdown on the opposition leaders for advocating a boycott. Anti-government leaders claimed that hundreds of their workers and supporters were jailed as the police broke up a mass anti-election rally.

"Any claim of securing votes is a complete lie," said Sheikh Hasina Wazed, head of an opposition coalition and a leading advocate of the boycott. Mrs. Hasina Wazed, daughter of Bangladesh's founding president, Sheikh Mujibur Rahman, said the boycott was 99 percent effective.

Despite the irregularities, many analysts said the election could nudge Bangladesh a step toward constitutional government and control by civilian institutions, with at least some opposition participation.

Bangladesh, a country of more than 100 million people packed into a low-lying delta region on the Bay of Bengal, has been torn by coups, assassinations, riots and natural disasters since it broke away from Pakistan in a bloody war in 1971.

The opposition to General Ershad has been led by two women carrying the standards of their family members. Mrs. Hasina Wazed's father was assassinated by a group of army officers in 1975 and was eventually replaced by the army chief of staff, General Ziaur Rahman.

General Rahman was assassinated in 1981 and General Ershad stepped in the following year. Since then, General Rahman's widow, Khadeja Rahman, has led a separate opposition coalition that is a rival of Mrs. Hasina Wazed.

In recent years, General Ershad has tried to persuade both women to participate in an election leading to restoration of civilian rule, but each time they refused, charging that the general only wanted them as window dressing in a process

that would cement his control of the country.

Last spring, Mrs. Hasina Wazed stated fellow opposition leader by reversing course and agreeing to participate in a parliamentary election in May. Her opposition coalition now controls 99 out of 330 seats, while General Ershad's National Party holds 210.

Mrs. Hasina Wazed has refused to join the new parliament even as an opposition politician. She has said she would not participate in the parliament until General Ershad fulfills his earlier promise to lift martial law.

Analysts said the significance of the voting Wednesday was that as an "election" president, General Ershad probably will convene parliament next month and ask it to endorse the actions of his martial law regime over the last four years and to declare martial law at an end.

"As a political decision, this election is of no consequence," a Western diplomat said. "But it does pave the way for a lifting of martial law and a return to constitutional government."

In practical terms, he said this would mean that most of the army officers now running the country would return to their barracks.

But prospects for House passage were unclear. The House approved its version of the spending bill by only a one-vote margin last month, and collapse of the federal meeting with weapons smugglers, narcotics smugglers, the contras and organizations assisting the contras.

The sources linked that system to "extensive network established by Lieutenant Colonel Oliver L. North," deputy director for political-military affairs on the National Security Council. The council allegedly "helped the contras with arms purchases, fund raising and enlistment of military trainers" even though Congress had barred U.S. officials from providing such aid.

Private backers of the rebels also may have violated U.S. laws "by providing advisors, military training or weapons to the contras from U.S. territory," the report said.

The report, titled "Private Assistance and the Contras," weaver newspaper reports with staff interviews and historical events. It details the role of the contras, who are often against groups and individuals not previously linked publicly to the contras.

Most weapons supplied to the contras bases at Aguas de La Calina in Honduras, the report said, "were supplied to the contras from the Dominican Republic."

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

But prospects for House passage were unclear. The House approved its version of the spending bill by only a one-vote margin last month, and collapse of the federal meeting with weapons smugglers, narcotics smugglers, the contras and organizations assisting the contras.

The sources linked that system to "extensive network established by Lieutenant Colonel Oliver L. North," deputy director for political-military affairs on the National Security Council. The council allegedly "helped the contras with arms purchases, fund raising and enlistment of military trainers" even though Congress had barred U.S. officials from providing such aid.

Private backers of the rebels also may have violated U.S. laws "by providing advisors, military training or weapons to the contras from U.S. territory," the report said.

The report, titled "Private Assistance and the Contras," weaver newspaper reports with staff interviews and historical events. It details the role of the contras, who are often against groups and individuals not previously linked publicly to the contras.

Most weapons supplied to the contras bases at Aguas de La Calina in Honduras, the report said, "were supplied to the contras from the Dominican Republic."

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.



Police in Dhaka searching a man Wednesday as voting began in the Bangladesh presidential election. There were indications of fraud and low voter turnout.

## Report Urges Inquiry Into U.S. Supply To 'Contras'

By Joanne Omarg  
and Charles R. Babcock  
Washington Post Service

WASHINGTON — Senator John F. Kerry, a Massachusetts Democrat, has outlined allegations from more than 50 sources that he said raise "serious questions about whether the United States has abided by the law" in its relations with Nicaragua rebels, known as "contras," over the last three years.

The 12-page report by Mr. Kerry's staff repeated his assertion that "a full-scale congressional investigation with testimony taken under oath and witnesses required to testify under subpoena, is necessary in order to get to the truth" of the allegations.

The Senate Foreign Relations Committee, of which Mr. Kerry is a member, said that it would decide whether to open such an inquiry after reviewing Mr. Kerry's evidence. Committee staff members said that no decision would be made until next year.

According to the report, "more than 50 witnesses" nearly all of them anonymous, told members of Mr. Kerry's staff in informal conversations about an interlocking web of bank accounts, airstrips, planes, pilots and contras which have been used in common by weapons smugglers, narcotics smugglers, the contras and organizations assisting the contras.

The sources linked that system to "extensive network established by Lieutenant Colonel Oliver L. North," deputy director for political-military affairs on the National Security Council. The council allegedly "helped the contras with arms purchases, fund raising and enlistment of military trainers" even though Congress had barred U.S. officials from providing such aid.

Private backers of the rebels also may have violated U.S. laws "by providing advisors, military training or weapons to the contras from U.S. territory," the report said.

The report, titled "Private Assistance and the Contras," weaver newspaper reports with staff interviews and historical events. It details the role of the contras, who are often against groups and individuals not previously linked publicly to the contras.

Most weapons supplied to the contras bases at Aguas de La Calina in Honduras, the report said, "were supplied to the contras from the Dominican Republic."

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

Under the overall spending plan, most programs, both domestic and foreign, would be frozen or decreased only slightly.

## WORLD BRIEFS

### Bonn Alerts Paris About Terrorism

BOON (Reuters) — Direct Action, the French extremist group, plotting attacks on government officials in coordination with the Red Army Faction, a guerrilla group in West Germany, sources in Bonn said Wednesday.

The West German anti-terrorist experts believed Direct Action would strike in the near future at a government official, as the Red Army Faction is believed to have done Friday when Gerold von Brunn, official in the Foreign Ministry, was assassinated.

The source said that Interior Minister Friedrich Zimmermann, during a briefing, cited evidence of previous collaboration between the two extremist groups. They quoted him as saying that the fact that the French and German groups "are apparently coordinating their actions makes them very likely" that Direct Action "will carry out attacks in the near future against similar targets."

### China, Soviet Discuss Cambodia Issue

BEIJING (Reuters) — China and the Soviet Union said Wednesday that they have discussed the Cambodian conflict and hinted at progress on the issue, the principal barrier to improved Chinese-Soviet ties.

The Chinese and Soviet deputy foreign ministers, Qian Qunzhi and Igor Rogachev, said they had discussed the issue during a ninth round of Beijing talks on normalizing relations. The talks ended Tuesday.

"European sources said that both officials' remarks suggested movement in the positions of Moscow and Beijing over Vietnam's military presence in Cambodia. An East European source said it was the first time that the Soviet Union and China agreed to discuss the matter bilaterally with China, having agreed previously that the involvement of third parties precluded this."

### Iran Asserts Iraq Fired at Airliner

LONDON (Reuters) — Iraqi military aircraft attacked an Iranian airliner on the ground in southern Iran on Wednesday as passengers disembarked, killing three persons and wounding 30, the Iranian news agency IRNA reported.

The news agency, monitored in London, said the Iran Air Boeing 727 was discharging passengers at Shiraz, about 440 miles (700 km) south of Tehran, when it was attacked.

In Baghdad, a military communication issued earlier said Iraqi planes shot an air bus in Chaharmahal and Kohgiluyeh, destroying 23 U.S.-made C-130 transport planes on the ground.

### Reagan Assails Democrats on Taxes

BALTIMORE (AP) — President Ronald Reagan returned Wednesday to political campaigning with an attack on congressional Democrats for favoring high taxes. He said federal spending predicted a Republican victory in the Nov. 4 congressional election.

Mr. Reagan campaigned for Linda Chavez, a former White House aide who is a Republican senatorial candidate in Maryland. He lambasted her Democratic opponent, Representative Barbara Mikulski, as a "paleo liberal" opponent who still talks like federal spending is the answer to just about every problem.

"This is a no-brainer election," Mr. Reagan said. "Losing control of the House will mean more than just economic hardship for our people. The safety of our neighborhoods and the security of our country are at stake." The Republicans control the Senate 55-47.

### Barcelona Still Hopeful on Olympics

LAUSANNE, Switzerland (Reuters) — Mayor Pasqual Maragall of Barcelona said Wednesday he did not believe that the fatal bomb explosion in the Catalan capital on Tuesday night would affect his city's bid for the 1992 Summer Olympics, but acknowledged that "it came at a bad moment."

A policeman was killed and at least 18 other persons were injured by the car bomb that exploded outside a police station in the heart of the city.

The police said they believed that Basque separatist guerrillas were responsible for the bombing, which occurred three days before the International Olympic Committee is to decide the venue for the 1992 Olympics. Barcelona is considered the favorite among six candidates for the Summer Games.

### Gene Behind Muscular Disease Found

NEW YORK (UPI) — The gene that causes a common form of muscular dystrophy has been located, giving scientists a major understanding and possibly treating the fatal disease, it was reported Wednesday.

The gene responsible for Duchenne muscular dystrophy was identified by scientists at the Harvard Medical School after six years of research. Dr. Louis Kunkel, a pediatrician who led the Harvard team, said the discovery would make it easier to understand the clinical picture of muscular dystrophy, which causes muscles to deteriorate.

The Muscular Dystrophy Association, which timed the announcement to coincide with the publication of Dr. Kunkel's findings in the British science journal Nature, called the discovery a "monumental breakthrough."

### For the Record

Arnold L. Raphael, 43, a career U.S. diplomat, has been nominated to be ambassador to Pakistan. President Ronald Reagan announced Wednesday. He is presently senior deputy assistant secretary in the Bureau of Near Eastern and South Asian Affairs. He would succeed Denise R. Hinton.

A former PLO commander, Mohammed Mahmoud Darwish, has been imprisoned in Israel awaiting trial since last year, military court officials revealed Wednesday. He was arrested in 1982. He was sent to his last headed toward Lebanon from Cyprus in March 1985.

The nomination of Edward J. Perkins as U.S. ambassador to South Africa was confirmed Wednesday by the Senate.

All 21 Turkish government ministers presented their resignations to Prime Minister Turgut Ozal on Wednesday to pave the way for a cabinet shuffle, the Anatolian News Agency said.

A strike by British seamen was settled Wednesday. Seafair British Ferries announced and the company's ferry services in the English Channel were expected to resume Thursday. The strike had halted Seafair ferries for two weeks at 13 ports.

A strike by British seamen was settled Wednesday. Seafair British Ferries announced and the company's ferry services in the English Channel were expected to resume Thursday. The strike had halted Seafair ferries for two weeks at 13 ports.

A strike by British seamen was settled Wednesday. Seafair British Ferries announced and the company's ferry services in the English Channel were expected to resume Thursday. The strike had halted Seafair ferries for two weeks at 13 ports.

## ARMS: Gorbachev Links Accords

(Continued from page 1)

not mean that all the proposals must be considered as a whole. Because the question of disarmament was "high on the agenda and was not solved, other questions have been put aside," said General Chervov, a member of the Soviet general staff. "But it doesn't mean there was linkage."

He added that "the Soviet Union has no linkage between arms control regional conflicts and humanitarian issues."

U.S. and Soviet spokesmen have said that before the dispute over SDI, there was virtual agreement to reduce strategic armaments on both sides by 50 percent and to eliminate medium-range missiles in Europe.

When Mr. Reagan and Mr. Gorbachev held their first summit meeting in Geneva in November, the Soviet Union agreed to seek an accord to reduce medium-range missiles in Europe separately from an agreement on SDI, according to U.S. officials here.

### Spanish Ports Hit by Strike

BARCELONA — More than 3,000 dockworkers began an indefinite strike at 11 Spanish ports Wednesday to protest the government's plan to partially privatize ports.

But Wednesday, when Mr. Alfonsín was asked whether he had urged Mr. Gorbachev to pursue a separate agreement reducing medium-range missiles, he said, "I repeat that there is a package and it is not possible to exclude any element."

Mr. Alfonsín also said that his talks have yielded a Soviet promise to purchase four million tons of grain from Argentina in 1987 to make up for purchases Moscow has failed to make this year.

Some Western diplomats said that Moscow appeared to be putting pressure on U.S. allies in Europe to press Washington for a compromise on SDI by leaving the link between an accord on space weapons and one on medium-range missiles frozen.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.

Mr. Reagan refused to agree to the Soviet proposal to confine research on space-based weapons to the laboratory for ten years.



Viktor P. Karvov

Soviet Union free of charge what we refused to hand over across the negotiating table in Reykjavik. Mr. Reagan said in a campaign for Linda Chavez, the Republican nominee for the Senate in Maryland.

Commenting on the Iceland meeting, Mr. Reagan said "let's not look back and place blame on the failure of the meeting to produce agreements."

"Let's look forward and seek agreements," he said. "I repeat my promise to Mr. Gorbachev: our proposals are serious, they remain on the table and we continue to be prepared for a summit."

Commenting on the Iceland meeting, Mr. Reagan said "let's not look back and place blame on the failure of the meeting to produce agreements."

"Let's look forward and seek agreements," he said. "I repeat my promise to Mr. Gorbachev: our proposals are serious, they remain on the table and we continue to be prepared for a summit."

Commenting on the Iceland meeting, Mr. Reagan said "let's not look back and place blame on the failure of the meeting to produce agreements."

"Let's look forward and seek agreements," he said. "I repeat my promise to Mr. Gorbachev: our proposals are serious, they remain on the table and we continue to be prepared for a summit."

Commenting on the Iceland meeting, Mr. Reagan said "let's not look back and place blame on the failure of the meeting to produce agreements."

"Let's look forward and seek agreements," he said. "I repeat my promise to Mr. Gorbachev: our proposals are serious, they remain on the table and we continue to be prepared for a summit."

Commenting on the Iceland meeting, Mr. Reagan said "let's not look back and place blame on the failure of the meeting to produce agreements."

"Let's look forward and seek agreements," he said. "I repeat my promise to Mr. Gorbachev: our proposals are serious, they remain on the table and we continue to be prepared for a summit."

Commenting on the Iceland meeting, Mr. Reagan said "let's not look back and place blame on the failure of the meeting to produce agreements."

"Let's look forward and seek agreements," he said. "I repeat my promise to Mr. Gorbachev: our proposals are serious, they remain on the table and we continue to be prepared for a summit."

Commenting on the Iceland meeting, Mr. Reagan said "let's not look back and place blame on the failure of the meeting to produce agreements."

"Let's look forward and seek agreements," he said. "I repeat my promise to Mr. Gorbachev: our proposals are serious, they remain on the table and we continue to be prepared for a summit."

Commenting on the Iceland meeting, Mr. Reagan said "let's not look back and place blame on the failure of the meeting to produce agreements."

"Let's look forward and seek agreements," he said. "I repeat my promise to Mr. Gorbachev: our proposals are serious, they remain on the table and we continue to be prepared for a summit."

## CONGRESS: '87 Spending Plan

(Continued from page 1)

the death penalty clause, which had been placed to filibuster the bill.

The Senate then prepared to replace the death penalty clause with a mandatory life term without parole for those convicted of drug-related murders.

House and Senate conferees agreed on \$13.3 billion for foreign aid programs, less than the \$15 billion requested by the House.

The foreign aid package is \$1.15 billion less than the amount of the last fiscal year and \$2.1 billion less than the amount requested by the House.

The actions were taken as the 99th Congress, which has gone two weeks beyond its scheduled term, attempted to complete business and adjourn by the weekend for a final phase of campaigning before the Nov. 4 elections.

Several obstacles remained: Legislation raising the debt ceiling was pending, and the two chambers were still deadlocked on deficit-reduction legislation.

The spending measure had to be passed by Wednesday night to avoid another three-day governmental shutdown because a stopgap funding bill approved last week was to expire at 12:01 A.M. Thursday. The stopgap bill was the third approved since the start of the fiscal year Oct. 1.

Bombay's congestion is as much a result of its dynamism as of its geography. Bombay is India's business and financial center, the version of Hollywood. All of this combines to make it the dream destination of millions of Indians and, in turn, the center of most people's urban problems.

"All over India, the dream of the child is to come to Bombay," said Rashmi Mayur, who has a doctorate from New York University and is a senior fellow at the Urban Development Institute. "The movie is made here."

Nani Palkhivala, a lawyer and former ambassador to the United States, said: "We have 200 new families coming to Bombay every week with no place to live. The city is dying of suffocation."

So many people wanting to live in such a limited area has resulted in a concentration of wealth. About 20 percent of India's manufacturing industries are located here, as well as 25 percent of its foreign trade. There is no other city in India so vital to the national economy.

The concentration of wealth has created a kind of economic distortion, according to Mr. Mayur, the urban institute director, who says Bombay "is the only city in India where you reach the level of pricing that exists in Hong Kong or Paris."

Bombay has become a city where very few Indians can afford to live; yet more and more are living there every day.

In such a situation, long-term residents, protected by rent control laws, cling to their homes. Their rents are often ridiculously low. Apartments much grander than the ones owned by the U.S. Consulate for thousands of dollars a month may cost their tenants as little as \$20 a month.

Landlords try to drive out the tenants by raising rents to the point where higher rents may be obtained from tenants who do not qualify for rent-control protection.

White House officials are plainly concerned about public reaction to the demand at the meeting in Reykjavik.

Early on, the Reagan-Gorbachev meeting produced a major, across-the-board arms control agreement, with heavy cuts in strategic defense weapons and the elimination of medium-range missiles in Europe.

But Mr. Gorbachev demanded, as part of the package, what the administration said would be a serious limit on the development of the space missile after Oct. 1.

White House officials are plainly concerned about public reaction to the demand at the meeting in Reykjavik.

White House officials are plainly concerned about public reaction to the demand at the meeting in Reykjavik.

## BOMBAY: Poor City, High Prices

(Continued from page 1)

new housing, but all have been rejected by the sidewalk dwellers as



# BRIEF

## Eagan Aide Defends Plan to 'Deceive'adhafi'

**By Norman Kemper**  
*Los Angeles Times Service*

WASHINGTON — The White House national security adviser, Paul John M. Poindexter, issued a memo outlining a deception campaign against Colonel Muammar Gaddafi of Libya, asserting that the government has an inherent right to use deception to protect national security.

The whole question comes down to the deception going to be used by the government can use in battling a very significant national security problem. The assistant secretary of defense said, "It has to be yes."

He insisted that the campaign was because of his memo in August was not intended to deceive the public nor the press, either in the United States or the rest of the world. But he conceded that some people who were not targets of the campaign might have been deceived.

We had no intent and did not or complete to mislead the action press in any way," Adm. Poindexter said. "The objective of the program was to deceive Gaddafi."

Now, the foreign press is obviously more likely to pick up various forms of things that were supposed to be because of the U.S. deception campaign," he said, "but the goal was not to deceive the foreign press."

Adm. Poindexter's proposal was approved at a White House meeting in mid-September, according to a report originally carried by Washington Post and later confirmed by administration officials.

The plan suggested a campaign to convince Colonel Gaddafi that the United States was preparing for military action against him, in fact, no attack was imminent.

After in August, the Wall Street Journal reported increased U.S. tensions and said U.S. intelligence agencies had uncovered evidence of terrorist activity by the leader.

At the time of the newspaper article, Adm. Poindexter said, Colonel Gaddafi was in a "critical" period in his life. His activity was concerned, although he might have been planning to step up his activities.

Although the Journal story now seems to have been a result of the art to deceive Colonel Gaddafi, White House spokesmen, Larry Speakes, described it at the time as hostile.



Rescue workers dig holes in the roof of a five-story building that collapsed during the San Salvador earthquake. Hundreds of people were killed and 50 were rescued at the site.

# Salvador Quake Puts the Poor in Full View

**By Marjorie Miller**  
*Los Angeles Times Service*

SAN SALVADOR — Before the earthquake last week, much of the poverty of this capital was camouflaged by tropical hillside and steep canyons not easily seen from the streets above.

Few people knew or seemed to want to know how small the shanties were and how many families lived within their fragile walls.

But the earthquake that brought down houses by the thousands last weekend showed the impoverished out of their hiding places.

"We have nothing now," said Maria Filer Campos, 44, a vendor who lost her home, her home and her store in the earthquake on Friday.

Many of those newly homeless have long been short of food, clothing and better shelter. Now their needs are even greater and more immediate.

"We had to put ourselves in the street like a burrito to make the water truck stop," said a Campos neighbor, Ana Gloria de Aguilar, 29.

In half a dozen neighborhoods hit by the earthquake, residents complained this week that they were receiving water but no food, food but no medicine, or tents but no water.

"They say they are sending help from other countries, but they haven't brought anything here," said Maria Antonieta Rodriguez, 85, a

cigarette vendor. "They say they are going to give, going to do, going to come but nothing happens."

She is living in a cardboard box on Venezuela Boulevard, which winds its way into the upper-class San Francisco neighborhood, where wealthy families live behind high walls. The

"We weren't able to help before," he said, adding to the widespread national poverty. "Now our problems have been multiplied by a hundred times."

Government officials said that blankets, food, tarpaulins, medicine, wood, tin and water trucks were the most needed.

President Jose Napoleón Duarte put the death toll at 976 on Tuesday. Figures for the homeless range from 30,000 to 100,000, while many others are sleeping in the streets out of fear of returning to homes still shaking from aftershocks.

"The first efforts were to rescue victims and then to coordinate the aid that began to arrive," said Carlos Girón, a spokesman for the committee of businessmen that is coordinating aid. "There is not enough aid. The demands are enormous."

U.S. sources siding in the relief effort say that the Salvadoran government suffered from initial problems of disorganization and bad management, but said the problems were beginning to be resolved Tuesday.

Salvadoran soldiers, who had been used only to keep order, began conducting surveys Tuesday to help coordinate delivery of aid and to make sure it will go to those who most need it.

Meanwhile, some workers continued to recover bodies from destroyed buildings. They said they did not expect to find any more live victims.

# U.S. Supreme Court to Consider State Limitation on Abortions

**By Al Kamen**  
*Washington Post Service*

WASHINGTON — The U.S. Supreme Court, once more becoming involved in the abortion issue, has agreed to decide whether states may require minors to notify their parents and then wait 24 hours before obtaining abortions.

In another case Tuesday, the court let stand an Oklahoma ruling that the state's anti-abortion law could not be applied to incestuous abortions. In July, the justices ruled that states could not sue between

a federal appeals court decision last year striking down the Illinois Parental Notice of Abortion Act of 1983 on the ground that the notice period infringed on the constitutional right to obtain an abortion.

The Illinois appeal in *Harrisburg v. McRae* does not present a challenge to the court's 1973 ruling legalizing abortion. But the action Tuesday means that the court will review once more a series of recent rulings defining what states may and may not do in regulating abortions.

In 1981, the justices allowed states to require parental notification for certain "mature" girls

who were still dependent on their parents. But two years later, in a case from Akron, Ohio, the court struck down a 24-hour waiting period for minors and adults.

Illinois officials argued that their law was necessary to allow "meaningful consultation" with parents before a minor had an abortion.

Lawyers for the Illinois physicians argued that the notification law, which subjects physicians to criminal prosecution, violates a pregnant minor's fundamental right to choose an abortion.

The Illinois waiting period could be waived if parents accompany

minors to obtain abortions or sign a notarized form approving the procedure. The Illinois law also allows minors to obtain a judge's approval, instead of parental approval, if she can show she is mature enough to make the decision on her own, or that waiver of the notification requirement would be in her best interests.

In the *Harrisburg* case, the justices, without comment, declined to take up the question of whether there is a constitutional right to heterosexual sodomy between consenting adults. The court let stand a ruling by an Oklahoma court that struck down the state's anti-sodomy law

against oral or anal sex between men and women.

The action sets no legal precedent. Its practical effect is to allow Oklahoma to join five other states that make a legal distinction between heterosexual and homosexual sodomy.

Last July, in a controversial Georgia case, the court ruled that the U.S. Constitution does not offer any protection for homosexual sodomy.

The justices also refused Tuesday to reopen a 1972 case, *Leist vs. Tatum*, that caused a major debate during recent Senate confirmation proceedings for Chief Justice William H. Rehnquist.

Justice Rehnquist's opponents said he violated judicial ethics by not disqualifying himself from the case, involving U.S. Army surveillance of anti-war protesters, and casting the deciding vote. Justice Rehnquist had been involved in setting up the surveillance program while he was an official in the Justice Department under the Nixon administration.

Attorneys for the protesters, citing new information regarding Justice Rehnquist's involvement in the program, wanted the court to reconsider its 1972 ruling. The court voted in secret, so there was no indication whether Justice Rehnquist disqualified himself from Tuesday's case.

The court also cleared the way for extradition to Britain of William Joseph Ogden, a U.S. citizen accused of involvement in an Irish Republican Army bombing campaign.

Takam Ogden, 85, a Japanese painter who went to Paris in 1927, Monday in Paris.

Jan Edmundo, 79, the former editor of the Polish edition of *American*, a publication of the U.S. Information Agency, Oct. 5 of a self-inflicted gunshot wound in Middlefield, New York.

# Keenan Wynn, Character Actor, Dies

**By James Barrow**  
*New York Times Service*

NEW YORK — Keenan Wynn, 70, one of Hollywood's most versatile supporting actors, died Tuesday of cancer in Brentwood, California.

Mr. Wynn, a third-generation entertainer who played in more than 200 movies and 200 television shows, was the son of Ed Wynn, the vaudeville star. Frank Keenan, his grandfather, was a Shakespearean actor and silent film star.

Keenan Wynn played a tough character in "The Strangler" (1964), a gangster with Lee Marvin "Point Blank" (1967), and a fight handler for Jack Palance in the TV production of "Execution for a Heavyweight" (1968). In "Kiss Me Kate," he and James Whitmore played

around as backstage interlopers in a number called "Brush Up Your Shakespeare."

His career seemed for years to be overshadowed by his father.

"I was Ed Wynn's son, period," he said in 1957.

But he made the submission of his personality, and as he grew older and television provided him with audiences too young to know about his roots, he realized how much he relished supporting roles.

His last film was "The Last Days of Pompeii," which he played as a Roman senator.

He died of cancer in Brentwood, California. He was 70.

Morgans. They said she had been ill for several years but did not indicate the nature of the illness.

Picasso married Jacqueline Roque, a Paris-born divorcee and former dance teacher, in 1961 when he was 79 and she was 35. He died April 8, 1973.

His first wife, Olga Koklova, a ballet dancer, died in 1935. But the couple married in 1918, had been separated for more than 20 years.

Other deaths:

Takam Ogden, 85, a Japanese painter who went to Paris in 1927, Monday in Paris.

Jan Edmundo, 79, the former editor of the Polish edition of *American*, a publication of the U.S. Information Agency, Oct. 5 of a self-inflicted gunshot wound in Middlefield, New York.



Jacqueline Picasso

# Soviet Proposes Legislation to Revamp Society According to Gorbachev Plan

**By Serge Schmemmann**  
*New York Times Service*

MOSCOW — In an action for which there appears to be no precedent, the Soviet government has announced a plan of legislation for the next five years to codify Mikhail S. Gorbachev's blueprint for reconstruction of Soviet society.

The most recent issue of the official gazette of the Supreme Soviet, the official legislature, lists 38 measures to be prepared through 1990, ranging from laws on voting and witnesses to legislation on economic incentives, pricing, the press, structure of the government, the activities of the KGB, the diligence and internal security.

In his laws and decrees to be issued or revised appeared to cover most of the fields in which Mr. Gorbachev, the Soviet leader, has called for changes in his campaign to modernize and revitalize the economy and society.

Soviet sources said the measures recently were to deal with the plan that many of the proposed laws contravene existing laws.

Several weeks ago the Politburo said that it had approved a revision of laws and decrees to reflect the new policies, but it gave no details.

The sources could reveal no previous instance when a full legislative program was announced in advance. Mr. Gorbachev evidently wants to assure the nation that his blueprint will be the law of the land soon and he also wants to put responsible agencies on notice that they have a deadline to get on with the program.

Mr. Gorbachev has been complaining in public speeches that his plans have become mired in bureaucracy.

The weekly Supreme Soviet gazette publishes only a title or an outline of each proposed law, along with the agencies responsible for its preparation and the year each measure is to be enacted.

There is a plan, for example, "to broaden the range of issues that can be decided by government agencies only with the participation or advance accord of appropriate public organizations and to give these organizations the right, in

some cases, to halt implementation of management decisions."

Two proposed bills reflect a tendency to give citizens more say on issues through debate and referendum and to make some supervisory offices in factories elective rather than appointive.

One bill would be intended to broaden participation "on major issues in the life of the country as well as discussion by the population of draft measures under the jurisdiction of local government bodies."

Another measure is intended to restructure the government-based system of prices, which Western economists have identified as an obstacle to modernization.

A new law is planned to permit more private enterprise in the service sector, and another would encourage more moneymaking in light of a growing labor shortage.

One law is to deal with the procedure for filing suits against officials who "infringe on the rights of citizens." The Politburo at its last meeting called for greater respect for the rule of law, and denounced attempts "by anyone" to intervene in the investigation and prosecution of cases under litigation.

Other areas for which legislation is to be prepared include environmental protection, housing, the rights of government enterprises, modest power, procurement procedures in industry, the keeping of statistics and archives, the robust structure of the government, consumer goods, financial incentives, service contracts, quality control, inventors' rights, capital investment, financial credit, transport, communications, accountability, discipline, foreign trade and customs.

**JONESBURY**

WHAT IS THIS, A SHREDDING? I'M NOT CREATING THE COLLAGE, ENOUGH AS IT IS!

I DON'T CARE, SO I'M A LITTLE BEHIND IN MY WORK. YOU'RE NOT ABOUT, MAKE YOUR POINT, HONESTLY. TIME THESE THINGS OFF!

YOU DON'T FIND IT, HOLD ME! OFFER, SURE, YOU HAVEN'T BEEN A SHREDDER OF EVIDENCE!

I'LL TAKE YOU DOWN WITH ME, HONESTLY, I SWEAR IT.

I'M DOING THIS OUT OF LOVE, SIR.

SINGAPORE — Singapore said it would restrict the circulation of Time magazine to 2,000 copies an issue beginning next year.

Time, which now sells 18,000 copies, is the first publication affected under legislation approved by Parliament in August allowing the government to limit sales of foreign publications held to interfere in local politics.

The government said that a Time article on Singapore had contained major factual errors and that the magazine had refused to publish a letter of correction in full and unaltered.

**Singapore to Cut Time's Circulation**

SINGAPORE — Singapore said it would restrict the circulation of Time magazine to 2,000 copies an issue beginning next year.

Time, which now sells 18,000 copies, is the first publication affected under legislation approved by Parliament in August allowing the government to limit sales of foreign publications held to interfere in local politics.

The government said that a Time article on Singapore had contained major factual errors and that the magazine had refused to publish a letter of correction in full and unaltered.

**Keep up with the Joneses.**

When you keep up by phone, you stay close to the people you miss in the States. You trade your latest experiences and share your everyday lives. But, best of all, you hold on to that special bond that joins you in spite of the distance between you.

**AT&T**

**PHILIPS POCKET MEMO**

Invites you to an exhibition of unique readings 1830-1930 and contemporary designs 22nd SEPTEMBER to 22nd NOVEMBER

30 rue de Paradis Paris 75018 PARIS

Open from 9 a.m. to 6:30 p.m. Except Sunday

**YOUR ELECTRONIC NOTEBOOK**

When you consider that you speak 7x faster than you write, you'll see the benefits of using a Philips Pocket Memo as an electronic notebook. Ideas, notes and reminders can be instantly recorded for reference later. Test a Philips Pocket Memo at your office equipment dealer today or write for information.

**PHILIPS POCKET MEMO YOUR ELECTRONIC NOTEBOOK**

Please send the information about Philips Pocket Memos

Name \_\_\_\_\_ Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Country \_\_\_\_\_

**PHILIPS**

Philips B.V. Dept. Equipment, A-1021 Vienna, Vienna Strauss 64, Austria







# Soviet Has Tested SDI-Type Weapon but Lags Far Behind U.S., Some Experts Say

By William J. Broad  
New York Times Service

**NEW YORK** — The Soviet Union has apparently conducted weapon tests in space of the type that would be resisted by the 10-year ban on "star wars" testing proposed by the Russians in Iceland, according to U.S. experts on Soviet technology.

The experts said Tuesday that a laser being developed as an anti-missile weapon has been fired from a research station at Sary Shagan in Kazakhstan at a manned Soviet spacecraft.

The overall Soviet program, however, is seen as crude compared to the American missile-defense program, known officially as the Strategic Defense Initiative.

This relative backwardness, experts say, is a primary reason why Moscow wants to ban on further testing outside of laboratories.

The experts say the Soviet Union, although about even with the United States in basic anti-missile research, lags badly behind America in advanced technologies needed to turn lasers, particle beams and other devices into effective weapons. The key deficiencies include laser-powerful computers and a huge lag in the miniaturization of arms.

This view is sharply at odds with that of the Pentagon, which has maintained that anti-missile systems the Russians already have represent a real threat to the West.

The issue arose last weekend when Soviet officials proposed at the Iceland talks that all but laboratory research, testing and development of anti-missile systems be halted for 10 years.

Dr. Simon Kaseid, a scientist with the Rand Corp. who has written several reports for the

Pentagon on Soviet beam weapons, said Tuesday that in Iceland the Russians were basically trying to buy time to catch up with the West.

"It's one thing to do basic research and have a lot of different concepts going, and another to translate it into weapons," he said. "In that they face considerable difficulties."

He continued: "Their technology base is not as rich as ours. People don't realize how bad it is. They're not. The only reason we talk to them is that they have nuclear weapons."

Dr. Kaseid said the Russians were concerned by the sweeping changes in strategic doctrine that lie at the heart of President Ronald Reagan's anti-missile plan.

He said, "What was suggested in Iceland is that we shift the competition from building nuclear weapons, which they have mastered, to a competition in exotic technologies."

In contrast to such views, the Pentagon says Russian anti-missile work has a long history and is very aggressive and threatening.

"Soviet efforts in most phases of strategic defense have long been far more extensive than those of the United States," according to a report by the Defense Department. It said the Soviet Union was conducting advanced work in lasers, particle beams and kinetic-energy weapons.

At Sary Shagan, it said, the Soviet Union has set up a large ground-based laser that can fire at satellites and in the future could "possibly" play a role in an anti-missile system.

"Unlike the U.S.," it said, "the U.S.S.R. had long progressed in some cases beyond technical research. It already has ground-based lasers that could be used to interfere with U.S. satel-

lites and could have prototype space-based anti-satellite laser weapons by the end of the decade."

Some experts outside the government said the Soviet Union has already apparently conducted weapon tests in space.

"In 1982 Soviet cosmonauts were asked if they had on their goggles and if they went over Sary Shagan," said James E. Oberg, an expert on the Soviet space program. "The implication is that their spacecraft was a target for a ground-based laser."

**Return to Previous Balance**

R. Jeffrey Smith and George C. Wilson of The Washington Post reported from Washington:

The vision of the future offered by President Reagan to Mikhail S. Gorbachev at the meeting in Reykjavik is essentially a return to the arms balance of the late 1950s and early 1960s, according to some administration officials and independent arms control experts.

Then, in an era with few international ballistic missiles, competition between the superpowers in strategic arms was largely confined to bombers and elaborate air defense networks in which the United States enjoyed a modest numerical and technological edge.

Several experts said that Mr. Reagan's plan for both sides to eliminate all of their ballistic missiles within 10 years would essentially duplicate this relationship, by allowing each side to develop and deploy improved bombers, cruise missiles and air defenses.

Find C. Kie, undersecretary of defense for policy, said the United States "would be some-

what better off" in respect to the Soviet Union if ballistic missiles were eliminated by both sides. He said that the strategic balance would be pushed back to that of the early 1960s, when long-range bombers served as the principal deterrent force.

Sprague Keeney, director of the private Arms Control Association here, agreed. He said, "Eliminating U.S. bomber and cruise missiles are vastly superior to those deployed by the Soviets—in airframes, avionics and electronic countermeasures."

He said that this advantage would persist because of superior American knowledge in these areas.

According to Ted Warner at the Rand Corp.

In Washington, the United States also enjoys roughly a 3-to-1 numerical superiority in nuclear weapons on strategic bombers and cruise missiles, with roughly 3,500 such weapons as opposed to 1,600 on the Soviet side.

Several experts said that this numerical advantage might be maintained under the long-term plan for strategic arms reductions devised by Mr. Reagan and his advisers and proposed at Reykjavik.

They said that under Mr. Reagan's plan for a five-year, "50-percent" reduction in total nuclear warheads, the United States might not have to reduce its bomber force because of an unusual "counting rule" that negotiators on both sides agreed to in Reykjavik.

Under the counting rule, bombers would be counted as only one or two weapons, even though the most modern U.S. bombers can carry an average of 12 nuclear bombs and cruise missiles.

A single missile, in contrast, would count as 10 weapons if it carried 10 warheads. As a result, the experts said, the United States would probably destroy as many missiles as practical and deploy as many bombers as possible, leading to a real reduction of only 25 percent in total nuclear weapons.

The Soviets would "presumably build new bombers capable of carrying far more weapons" so that they too could benefit from the counting rule, an expert said.

## U.S. Is Urged to Lift Curbs on Poland

By Jackson Diehl  
Washington Post Service

**WARSAW** — The leaders of the Solidarity trade union, Lech Walesa, and a group of prominent Polish intellectuals called on the Reagan administration Wednesday to lift the remaining U.S. economic sanctions against Poland, saying the move was "indispensable" for Poland's economic recovery.

In a statement delivered to news agencies of opposition advisers, Roman Catholic law activists and independents said that Poland "will not be able to come out of the economic crisis without the help of our neighbors and the most industrious countries of the Western world."

The statement called on President Ronald Reagan to lift sanctions depriving Poland of the most-favored-nation status for trading purposes and barring access to new U.S. credit guarantees. The measure was the chief remaining element of a package of sanctions imposed by Mr. Reagan on Poland in 1981 for its suppression of Solidarity, an independent trade union in 1981.



Lech Walesa

Most of the other sanctions were lifted two years ago. Among them are a ban on Polish shipping in U.S. territorial waters, a blockade on entering the International Monetary Fund and a ban on transfer of military technology.

U.S. officials have said that the easing of the sanctions is under consideration following action by the government of General Wojciech Jaruzelski in the past. Mr. Walesa and other Solidarity leaders had taken a more ambiguous position until now, describing the measures as harmful to Poland's economy but not stopping short of explicitly advocating their revocation.

Among the most prominent names on the statement were Bronislaw Geremek and Tadeusz Mazowiecki, Solidarity advisers; Jurek Tomaszewski, editor of an independent Roman Catholic newspaper; and Stanislaw Stomma, a lay adviser to Cardinal Glemp.

Several of the intellectuals who signed are among the group of political and church activists who reportedly have been privately invited by the government to join a new consultative council to advise the ruling Council of State.

Walesa two weeks ago, signed the declaration. However, the document was supported by a broad range of independent and opposition figures, including the most prominent Solidarity leaders.

Cardinal Glemp has called for the lifting of the U.S. sanctions several times in the past. Mr. Walesa and other Solidarity leaders had taken a more ambiguous position until now, describing the measures as harmful to Poland's economy but not stopping short of explicitly advocating their revocation.

Among the most prominent names on the statement were Bronislaw Geremek and Tadeusz Mazowiecki, Solidarity advisers; Jurek Tomaszewski, editor of an independent Roman Catholic newspaper; and Stanislaw Stomma, a lay adviser to Cardinal Glemp.

Several of the intellectuals who signed are among the group of political and church activists who reportedly have been privately invited by the government to join a new consultative council to advise the ruling Council of State.

## Likud Urges Herzog to Name Shamir Despite Rift

The Associated Press

**JERUSALEM** — Ministers from the Likud bloc appealed Wednesday to President Chaim Herzog to name Yitzhak Shamir as prime minister despite Likud's power-sharing dispute with the Labor Party.

The dispute has blocked a scheduled exchange of positions between Mr. Shamir, who has been serving as foreign minister, and Shimon Peres, now serving as caretaker prime minister.

A session of the Knesset, Israel's parliament, at which Mr. Shamir was to present his cabinet and be sworn in as prime minister was canceled Wednesday until further notice.

According to a Knesset spokeswoman, Shimon Peres, said:

A spokesman for Mr. Peres's Labor Party said that the appeal Wednesday to President Herzog was a coalition accord between the two parties that called for Labor and Likud representatives to make a joint recommendation on Mr. Peres's successor.

Mr. Shamir said, "The Likud will not support a recommendation that would place a Labor minister in the prime minister's position."

The latest disagreement further delayed the Peres-Shamir exchange, which originally was set for Tuesday. The coalition government has undergone a dozen sessions since it was formed in September 1984.

The two parties agreed to share power following inconclusive elections in which neither Labor nor Likud drew enough votes to govern by itself.

Earlier Wednesday, Mr. Peres and Mr. Shamir met with their supporters in efforts to solve the last-minute disputes.

A Shamir aide, Yossi Alhineir, said Likud would stick to its demand that it be allowed to nominate a cabinet minister recommended by Mr. Peres and appoint Likud ministers to several newly created posts.

Mr. Shamir said, "What they are doing now is making new demands not included in the original power-sharing agreement." Likud ministers said they will support the rotation would take place by Thursday.

Deputy Prime Minister David Levy of Likud described the dispute as "the labor pains that precede every birth."

Mr. Shamir, 70, is named prime minister, his cabinet's full term under the agreement would last until November 1988.

Mr. Peres, 63, who in his two years in office was one of Israel's most popular prime ministers, has threatened to bring down a Shamir government if it fails to advance the Middle East peace process.

The exchange of jobs first stalled when Likud held out Tuesday against Mr. Peres's demand that key aide, Yossi Beilin, be named ambassador to Washington. Mr. Peres was seen as needing an ally in the post for major foreign policy decisions.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

Mr. Shamir is demanding that the foreign finance and justice minister, Yitzhak Mordechai, be returned to the cabinet. Mr. Mordechai was dismissed by Mr. Peres in July for strongly and publicly criticizing the Peres government.

EMPLOYMENT		INTERNATIONAL CLASSIFIED		LOW COST FLIGHTS	
<b>GENERAL POSITIONS</b> AVAILABLE ANDREAS: On-shore, High Tech project engineers in high technology, with 10 years exp. Tel. 02-622-1111, 02-622-1112 Tel. 02-622-1113, 02-622-1114		<b>GENERAL POSITIONS WANTED</b> 1. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111 2. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111		<b>ACCESS VOYAGES</b> New York, London, Paris, Rome, Athens, etc. Tel. 02-622-1111, 02-622-1112 Tel. 02-622-1113, 02-622-1114	
<b>EMPLOYMENT</b> GENERAL POSITIONS WANTED 1. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111 2. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111		<b>BOATS &amp; RECREATIONAL VEHICLES</b> 1. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111 2. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111		<b>STAMPS &amp; COINS</b> U.S. SILVER DOLLARS, 1974-1986 Tel. 02-622-1111, 02-622-1112 Tel. 02-622-1113, 02-622-1114	
<b>EMPLOYMENT</b> GENERAL POSITIONS WANTED 1. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111 2. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111		<b>BOATS &amp; RECREATIONAL VEHICLES</b> 1. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111 2. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111		<b>STAMPS &amp; COINS</b> U.S. SILVER DOLLARS, 1974-1986 Tel. 02-622-1111, 02-622-1112 Tel. 02-622-1113, 02-622-1114	
<b>EMPLOYMENT</b> GENERAL POSITIONS WANTED 1. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111 2. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111		<b>BOATS &amp; RECREATIONAL VEHICLES</b> 1. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111 2. U.S. & Canada: 44, position in marketing, sales, or management. Tel. 02-622-1111		<b>STAMPS &amp; COINS</b> U.S. SILVER DOLLARS, 1974-1986 Tel. 02-622-1111, 02-622-1112 Tel. 02-622-1113, 02-622-1114	

## BUSINESS IN EUROPE



## COMING TO SHERATON

There's a Sheraton waiting for you in the heart of almost every major European city. And each one of them has made a commitment to the business traveler. It's a commitment that translates into comfort, luxury and services that anticipate your needs. Including express check-out, quick reservations, 24-hour room service, secretarial assistance, sophisticated conference and communications facilities and much more. At Sheraton we understand the pressures and demands you travel under today. That's why we've determined to give you the hotel you need everywhere you need it in the world.

**Sheraton**  
The hospitality people of **ITT**

**Call toll-free:**  
 In Denmark 0430/0020  
 In France 05/353535  
 In Holland 0203/33  
 In the U.K. 0800/353535  
 In West Germany 0130/3535  
 Or call your nearest Sheraton hotel, representative office, or travel agent

**NEW OPENINGS —**  
 BULGARIA: SHERATON SOFIA BALKAN (AUTUMN 1986)  
 CYPRUS: LIMASSOL SHERATON RESORT & MARINA (EARLY 1987)  
 PORTUGAL: PORTO SHERATON HOTEL, OPORTO (NOW OPEN)  
 SWEDEN: GÖTEBORO SHERATON HOTEL & TOWERS (NOW OPEN)

• 1986 The Sheraton Corporation





NYSE Most Actives				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

Dow Jones Bond Averages				
Symbol	Vol.	High	Low	Last
10 Year	1,000	100.00	99.00	99.00
20 Year	1,000	100.00	99.00	99.00
30 Year	1,000	100.00	99.00	99.00
1 Year	1,000	100.00	99.00	99.00
2 Year	1,000	100.00	99.00	99.00

Market Sales				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

NYSE Diary				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

NYSE Index				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

Odd-Lot Trading In N.Y.				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

Wednesday's NYSE Closing				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

Dow Jones Averages				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

AMEX Diary				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

Standard & Poor's Index				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

NASDAQ Index				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

NASDAQ Diary				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

AMEX Most Actives				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

AMEX Stock Index				
Symbol	Vol.	High	Low	Last
Amgen	1,111	112.00	111.00	111.00
AT&T	1,000	100.00	99.00	99.00
IBM	1,000	100.00	99.00	99.00
Intel	1,000	100.00	99.00	99.00
Microsoft	1,000	100.00	99.00	99.00
Oracle	1,000	100.00	99.00	99.00
Sealed Air	1,000	100.00	99.00	99.00
Veritas	1,000	100.00	99.00	99.00
WorldCom	1,000	100.00	99.00	99.00
Yield	1,000	100.00	99.00	99.00

## NYSE Prices Rally in Last Hour

**United Press International**  
**NEW YORK** — Prices on the New York Stock Exchange finished sharply higher Wednesday after a wave of buying in the session's last half hour more than tripled earlier gains.  
 Analysts linked the buying to widening pressure on stock-index futures contracts, which made it profitable for arbitrageurs to sell futures and buy the underlying cash equities.  
 The Dow Jones industrial average jumped 31.49 to close at 1,831.69. One hour before the close the Dow was up only 8.43 points. The gain gave the Dow its best day since Sept. 4, when a 38.36-point advance sent the blue-chip index to its record high of 1,919.71.  
 Advancing issues outnumbered declining ones by nearly a 3 to 1 ratio among the 1,995 issues traded. Volume rose to 144.3 million shares from 116.8 million traded in the previous session.  
 Traders said a firmer bond market, a rebound in international business machines, and takeover speculation helped boost investor spirits. The more optimistic mood helped lift premiums on stock-index futures, triggering the late buying spree.  
 Analysts said the government's report that U.S. retail sales rose 4.6 percent in September turned out to have little impact. The data appeared to be strong at first glance, but almost all of the gain was due to car sales, which got a boost from special financing rates offered by the automakers. Without autos, retail sales were up a marginal 0.1 percent.  
 Elliot Fried, director of equity research at Shearson Lohman Bros., said the market is divided between people who believe they see the first signs of an economic recovery and, therefore, favor stocks sensitive to the economy's performance; and those who doubt the economy's strength and are therefore recommending stocks usually seen as defensive plays — food, pharmaceutical and rate-sensitive issues.  
 Amerasia Hess was the most active NYSE-listed issue, adding 14 to 26 1/2 and reports that Mesa Petroleum, headed by T. Boone Pickens, was accumulating its stock. AT&T followed, climbing 1 1/2 to 24 1/2.  
 USX Corp. was third, ending 1/2 to 26 1/2. USX has moved to spin off its chemicals business. The company said it filed a registration statement with the Securities and Exchange Commission for an initial offering of common stock in Arischem Chemical Co., a new company.  
 Among other actively traded blue chips, IBM jumped 2 1/2 to 123. Goodyear rose 1 1/2 to 37 1/2. Minnesota Mining & Manufacturing advanced 3 1/2 to 107 1/2. Merck added 3 1/2 to 106 1/2. General Electric rose 1 1/2 to 76 1/2. International Paper climbed 1 1/2 to 71 1/2.  
 Oil issues improved. In Geneva, the Iraqi and Saudi oil ministers indicated that the Organization of Petroleum Exporting Countries are trying to reach an agreement on production quotas. Mobil rose 1/2 to 37 1/2. Texaco added 1/2 to 34 1/2, and Schlumberger climbed 1/2 to 33 1/2.  
 The technology sector was mostly higher. Digital Equipment climbed 2 1/2 to 94. Cray Research rose 1 1/2 to 77 1/2. Hewlett-Packard jumped 1 1/2 to 68 1/2 and NCR rose 1 1/2 to 43 1/2.  
 Food stocks advanced. General Mills jumped 3 to 61 1/2. Quaker Oats rose 2 1/2 to 77 1/2. Kellogg climbed 2 1/2 to 52.  
 E.P. Hutton climbed 1 1/2 to 48 1/2 in active trading amid takeover speculation. Hutton said it knew of no reason for the rise in its stock.

...the market is divided between people who believe they see the first signs of an economic recovery and, therefore, favor stocks sensitive to the economy's performance; and those who doubt the economy's strength and are therefore recommending stocks usually seen as defensive plays — food, pharmaceutical and rate-sensitive issues.  
 Amerasia Hess was the most active NYSE-listed issue, adding 14 to 26 1/2 and reports that Mesa Petroleum, headed by T. Boone Pickens, was accumulating its stock. AT&T followed, climbing 1 1/2 to 24 1/2.  
 USX Corp. was third, ending 1/2 to 26 1/2. USX has moved to spin off its chemicals business. The company said it filed a registration statement with the Securities and Exchange Commission for an initial offering of common stock in Arischem Chemical Co., a new company.  
 Among other actively traded blue chips, IBM jumped 2 1/2 to 123. Goodyear rose 1 1/2 to 37 1/2. Minnesota Mining & Manufacturing advanced 3 1/2 to 107 1/2. Merck added 3 1/2 to 106 1/2. General Electric rose 1 1/2 to 76 1/2. International Paper climbed 1 1/2 to 71 1/2.  
 Oil issues improved. In Geneva, the Iraqi and Saudi oil ministers indicated that the Organization of Petroleum Exporting Countries are trying to reach an agreement on production quotas. Mobil rose 1/2 to 37 1/2. Texaco added 1/2 to 34 1/2, and Schlumberger climbed 1/2 to 33 1/2.  
 The technology sector was mostly higher. Digital Equipment climbed 2 1/2 to 94. Cray Research rose 1 1/2 to 77 1/2. Hewlett-Packard jumped 1 1/2 to 68 1/2 and NCR rose 1 1/2 to 43 1/2.  
 Food stocks advanced. General Mills jumped 3 to 61 1/2. Quaker Oats rose 2 1/2 to 77 1/2. Kellogg climbed 2 1/2 to 52.  
 E.P. Hutton climbed 1 1/2 to 48 1/2 in active trading amid takeover speculation. Hutton said it knew of no reason for the rise in its stock.



**Chopard**  
GENÈVE

Monte-Carlo

available at leading jewellers worldwide  
 Chopard & Cie S.A., rue de Vevrot, 1217 Meyrin-Genève, tél. (22) 821717



NYSE	31.49	31.49
AMEX	31.49	31.49
NASDAQ	31.49	31.49
NYSE	31.49	31.49
AMEX	31.49	31.49
NASDAQ	31.49	31.49

THURSDAY, OCTOBER 16, 1986

WALL STREET WATCH

Health-Care Concern in U.S.  
Looks Sickly to Investors

By VARTANIG G. VARTAN

New York Times Service

NEW YORK — In February, Humana Inc. was the favorite of many Wall Street analysts who follow the hospital-management industry. Its stock was trading then above \$33 a share — not far below its record price of \$36.75 set in mid-1985. There was an issue with steadily rising costs that, adjusted for numerous splits, sold as low as \$1 a share in 1977.

But, as 1986 unfolded, Humana's attraction began to fade in a marketplace. In retrospect, Humana offered a case history of a single company, let alone an entire industry, can lose its favor status with investors.

The rumblings began as far back as 1983 when the government changed the rules under which hospitals are reimbursed for their costs in treating Medicare patients. The new rules cut Medicare payments by 10 percent, and the government and private insurers were a rapid rise in the number of uninsured in the nation's hospitals. Hospitals also held in that occupancy rates affect their profits.

Early this year, analysts said the appeal of Humana was that a company had put into place a sort of insurance program designed to help fill its hospital beds. Humana had made what was widely believed to be a smart strategic move in entering the health-insurance market with its Care Plus health maintenance organization — a marriage, as it were, of hospital management with insurance.

"My sense is that the company's basic marketing thesis was that it would be able to attract a large number of patients," says Margot L. Vignand, L.F. Rothschild, Untermyer, Townsend & Co. analyst. "But the breakdown came in Humana's overly optimistic assumptions in its ability to steer patients to its own facilities."

Humana's policy  
married hospital  
management with  
insurance.

U.S. Sales  
Up 4.6%,  
A Record

September Gain  
Linked to Autos

The Associated Press  
WASHINGTON — U.S. retail sales soared a record 4.6 percent in September compared with August, but nearly all of the surge came from strong car sales spurred by cut-rate financing, the Commerce Department reported Wednesday.

The 19.5-percent jump in auto sales boosted retail sales to a seasonally adjusted \$127.2 billion in September, \$2.6 billion ahead of the August total.

The big September gain in auto sales followed a 4.1-percent increase in August. It was the largest monthly rise since a 20.2-percent increase in January 1977.

The 4.6-percent overall increase followed a 1.5-percent gain in August. The previous record rise was 4 percent in May 1975.

Without the boom in auto sales, the retail picture would have been bleak last month, with sales up just 0.1 percent, compared with a 0.7-percent rise in nonauto retail sales through August.

Consumer spending has been the driving force behind the current economic recovery. But analysts worry that the recent surge in car sales may have a backlash later this year, because rising levels of personal debt may force Americans to cut back on other purchases.

Sales figures released Tuesday by U.S. automakers showed that the pull of incentives remained strong during the first 10 days of October, boosting sales by about 25 percent during the period. But those figures reflected the last of this year's low-interest incentives, analysts said, and the figures for the rest of the month will probably be much lower.

Low-interest financing programs at General Motors Corp. and Ford Motor Co. ended Oct. 8. Chrysler Corp. program ended Oct. 12, while American Motors Corp. will offer interest-free loans through August.

With consumers spending more time and money shopping for cars, there was a corresponding drop in purchases, which dropped 1.4 percent in September following a 1.6-percent increase in August.

Analysts said that department stores had also been hurt by seasonally weaker weather at the end of September.

Sales in the durable-goods category, which includes autos and other consumer products, rose 1.1 percent, but fell 1.9 percent in August and 1.1 percent in July.

Sales of non-durable goods, items not expected to last three years, were down 0.1 percent.



Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

Ember plant turns out planes

EC Says Growth  
Not Enough to  
Cut Joblessness

By Peter Maza

Associated Press Wire

BRUSSELS — The executive commission of the European Community, calling for a renewed effort to create more jobs, warned Wednesday that economic growth next year will be too weak to significantly reduce the community's high unemployment rate.

Unveiling its annual economic report, the commission forecast a 2.5-percent rise in the EC's gross domestic product in 1987, after a 2.5-percent increase in 1986. GDP measures the total output of goods and services but excludes income from foreign investments.

Warning that the EC "can expect hardly any growth impulses from the outside," he urged EC governments to undertake economic expansion programs to boost employment.

Overall, the 225-page report stated the priorities and programs laid out in last year's economic survey, and called for "a new impetus for growth" to counter the threat of stagnation.

The survey, which will be submitted for approval by EC finance ministers, urged an improvement in the atmosphere for business investment, which it called "the most dynamic factor" in spurring growth. However, the report also suggested that fiscally sound governments could boost private consumption through a cut in taxes and social security payments.

Although the report identified West Germany as one of the community's most healthy members, it did not place the burden of EC growth on Bonn.

"The commission is not reverting to the old discussions on the locomotive theory," Mr. Pfeiffer said. "It is quite clear that no country is in a position to lead alone. Everyone has to do his part."

The commission's report said that economic disharmony in the United States and the Third World means "the community will not be receiving any great stimulus toward growth from world trade in the next few years."

On the other hand, it said, the recent fall in oil prices and the drop in the value of the dollar have benefited Western Europe.

Dealers Cite  
Gold Buying  
By Japan

Reuters

TOKYO — Japan has been buying large amounts of gold in a secret operation which helps support the dollar and makes Tokyo's record trade surplus figures with the United States look much better, dealers said Wednesday.

The Finance Ministry denied it had made any firm decision to start extra gold sales and says the government is still studying the 50th anniversary of Emperor Hirohito's reign.

But foreign-exchange dealers in Tokyo said the Bank of Japan had bought up to \$1 billion this month to finance extra gold purchases by the government.

Tokyo gold trade sources spotted the probable government strategy when customs-cleared trade figures for September showed a huge leap in gold imports, to 35.4 metric tons (39.2 short tons) from 19.66 tons in August, despite a decline of gold purchases by private investors and manufacturers.

Such large gold purchases before the year-end would help the government.

The need to buy dollars to purchase gold on the international market inevitably supports the rate of the dollar against the yen at a time when Japan does not want a further rapid yen rise, which it says harms its economy.

The effort to buy gold from the United States also cuts down the politically sensitive trade surplus. U.S. gold accounted for \$10.1 billion worth of the September imports, compared with only \$5.3 billion in August.

Japan is still showing an embargo on gold exports to the United States despite efforts to cut it back and cool protectionist sentiments in the U.S. Congress.

The September Japanese trade surplus with the United States hit a record \$4.8 billion.

Currency Rates

Currency	Rate	Change
British pound	1.60	0.01
West German mark	1.48	0.01
French franc	6.55	0.01
Italian lira	1,360	0.01
Japanese yen	160	0.01
Swiss franc	1.48	0.01
Spanish peseta	160	0.01
Portuguese escudo	200	0.01
Dutch guilder	3.60	0.01
Australian dollar	1.48	0.01
New Zealand dollar	1.48	0.01
South African rand	1.48	0.01
Israeli sheqel	1.48	0.01
Indian rupee	1.48	0.01
Pakistani rupee	1.48	0.01
Sri Lankan rupee	1.48	0.01
Thai baht	1.48	0.01
Singapore dollar	1.48	0.01
Malaysian ringgit	1.48	0.01
Philippine peso	1.48	0.01
Indonesian rupiah	1.48	0.01
Chinese yuan	1.48	0.01
South Korean won	1.48	0.01
Japanese yen	160	0.01
Swiss franc	1.48	0.01
Dutch guilder	3.60	0.01
Australian dollar	1.48	0.01
New Zealand dollar	1.48	0.01
South African rand	1.48	0.01
Israeli sheqel	1.48	0.01
Indian rupee	1.48	0.01
Pakistani rupee	1.48	0.01
Sri Lankan rupee	1.48	0.01
Thai baht	1.48	0.01
Singapore dollar	1.48	0.01
Malaysian ringgit	1.48	0.01
Philippine peso	1.48	0.01
Indonesian rupiah	1.48	0.01
Chinese yuan	1.48	0.01
South Korean won	1.48	0.01

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Source: Reuters, Bank of America, Citicorp, Chase, etc.

Fiat-Matra Agreement: Testing the Limits of Cooperation

By Axel Krause

International Herald Tribune

PARIS — The agreement signed last week by Fiat SpA, Italy's largest private industrial company, and Matra SA, a French government-controlled arms maker, to merge their automobile components will be an unusual test of the ability of two major European companies to cooperate.

The venture is unusual because few European companies for many years have faced substantial legal and managerial obstacles in merging across national boundaries. Many efforts have failed because of the obstacles and the absence of European-wide corporate laws.

The merger, analysts say, could be good for both companies, which will become Western Europe's largest supplier of auto components and dashboard instruments, but suffer from fierce competition and low profits. If it proves successful, however, the plan could lead to alliances in high-technology sectors, such as electronics, semiconductors and urban transport.

Some industry analysts, however, expressed skepticism about the collaboration to other areas. Industry insiders noted that Fiat is about 10 times bigger than Matra and that the Torino-based company will have a 65-percent stake in the new venture.

Matra has the option, however, of increasing its stake to 50 percent at a later date.

"At first blush, it appears that Fiat is taking over Matra in the components field," said a French industry executive whose company now buys supplies from both companies. "But it is a highly intriguing relationship which we are watching closely."

The first step in what both companies call a test was made public in early September after a year of negotiation.

The 30 affiliates involved make carburetors and dashboard instruments and are located mainly in Italy, France, Spain, Argentina and Brazil. They are expected to have combined sales of about 7 billion francs (\$1.0 billion, at current exchange rates) this year.

But profits have been low or nonexistent for several years. The companies have lost money in competition with West German and U.S. companies in France, Fiat and Matra combined.

For example, Solex, Matra's carburetor affiliate, is expected to report another loss this year, after net losses of 104 million francs in 1985 and 15 million francs in 1984. It will be merged with Weber SPA, which makes carburetors, which is profitable.

The venture, which will supply Fiat, will become Western Europe's largest supplier of auto components and dashboard instruments, but suffer from fierce competition and low profits. If it proves successful, however, the plan could lead to alliances in high-technology sectors, such as electronics, semiconductors and urban transport.

Some industry analysts, however, expressed skepticism about the collaboration to other areas. Industry insiders noted that Fiat is about 10 times bigger than Matra and that the Torino-based company will have a 65-percent stake in the new venture.

Matra has the option, however, of increasing its stake to 50 percent at a later date.

"At first blush, it appears that Fiat is taking over Matra in the components field," said a French industry executive whose company now buys supplies from both companies. "But it is a highly intriguing relationship which we are watching closely."

The first step in what both companies call a test was made public in early September after a year of negotiation.

made to work between our companies — there are many potential areas," said Philippe Caron, a Matra director responsible for financial strategy and planning.

Indicators say the venture will be added by the financial multiplicity and common interests of the companies' shareholders. Giovanni Agnelli of Fiat and Jean-Louis Lagardere of Matra, who have known each other for more than a decade.

Both have pushed their companies hard into high technology. About half of Fiat's expected sales of 30 billion francs (\$4 billion) this year will come from outside the auto sector, including telecommunications, civilian and military aviation, spacecraft, space, electronics and auto parts.

Mr. Agnelli and Mr. Lagardere

Both have pushed their companies hard into high technology. About half of Fiat's expected sales of 30 billion francs (\$4 billion) this year will come from outside the auto sector, including telecommunications, civilian and military aviation, spacecraft, space, electronics and auto parts.

Mr. Agnelli and Mr. Lagardere

Both have pushed their companies hard into high technology. About half of Fiat's expected sales of 30 billion francs (\$4 billion) this year will come from outside the auto sector, including telecommunications, civilian and military aviation, spacecraft, space, electronics and auto parts.

Mr. Agnelli and Mr. Lagardere

Both have pushed their companies hard into high technology. About half of Fiat's expected sales of 30 billion francs (\$4 billion) this year will come from outside the auto sector, including telecommunications, civilian and military aviation, spacecraft, space, electronics and auto parts.

Mr. Agnelli and Mr. Lagardere

Both have pushed their companies hard into high technology. About half of Fiat's expected sales of 30 billion francs (\$4 billion) this year will come from outside the auto sector, including telecommunications, civilian and military aviation, spacecraft, space, electronics and auto parts.

Mr. Agnelli and Mr. Lagardere

Both have pushed their companies hard into high technology. About half of Fiat's expected sales of 30 billion francs (\$4 billion) this year will come from outside the auto sector, including telecommunications, civilian and military aviation, spacecraft, space, electronics and auto parts.

Mr. Agnelli and Mr. Lagardere

Both have pushed their companies hard into high technology. About half of Fiat's expected sales of 30 billion francs (\$4 billion) this year will come from outside the auto sector, including telecommunications, civilian and military aviation, spacecraft, space, electronics and auto parts.

Mr. Agnelli and Mr. Lagardere

Both have pushed their companies hard into high technology. About half of Fiat's expected sales of 30 billion francs (\$4 billion) this year will come from outside the auto sector, including telecommunications, civilian and military aviation, spacecraft, space, electronics and auto parts.

Mr. Agnelli and Mr. Lagardere

**CORUM**

The Ronulus.  
An exclusive creation  
of watchmaking art.

**CORUM**  
SUISSE

Weekly net asset value

**Tokyo Pacific Holdings N.V.**

on October 13, 1986: U.S. \$176.24

Listed on the Amsterdam Stock Exchange

Information: Pearson, Harding & Pearson N.V.  
Schiedamschenweg 214, 1016 BS Amsterdam.

All figures in U.S. dollars.  
Source: Reuters.

TO THE HOLDERS OF  
THE EUROPEAN BANKING TRADED  
CURRENCY FUND LIMITED

INCOME SHARES IN CONTINENTAL  
DEPOSITARY RECEIPT FORM

The Directors of the above fund have declared the following interim dividend per share for the financial period ended 30th September 1986, payable on 31st October, 1986 in respect of shares in issue on 30th September, 1986:

US Dollars 0.2578 per share against coupon No. 5.

Shareholders should send their coupons to  
Amsterdam Depositary Company N.V., Spuisstraat  
172, 1017 VT, Amsterdam.

EBG Trust Company (Europe) Limited  
Secretary

Dated: 14th October, 1986.

**Interest Rates**

LIBOR Rates (Oct. 15)

Rate	1 month	3 months	6 months	12 months
3 month	7.75%	7.75%	7.75%	7.75%
6 month	7.75%	7.75%	7.75%	7.75%
12 month	7.75%	7.75%	7.75%	7.75%

U.S. Money Market Funds (Oct. 15)

Fund	Yield
Fidelity Puritan	7.75%
Putnam Fund for Growth	7.75%
Investment Company of America	7.75%

Gold (Oct. 15)

Gold	Price
Gold	375.00
Gold	375.00
Gold	375.00





## CURRENCY MARKETS

## Dollar Ends Mixed in New York

**By Our Staff From New York**  
The dollar ended mixed in New York on Wednesday, Oct. 15, after a day of volatility. The dollar rose in the early morning but then fell as the effects of the weak U.S. economic data were virtually canceled out by fears that foreign currencies would intervene to buy U.S. currency, traders said.

The dollar also ended in New York at 1.7775 DM, down from 1.7814 DM, and at 1.6170 Swiss francs, down slightly from 1.6173 francs. Remarks by the U.S. trade representative, Clayton K. Yeutter, that contained no reference to a further drop in the dollar sparked late short covering.

Dealers in Europe said they were awaiting further U.S. economic figures to give direction to dollar trading. "It's a very volatile market at the moment," one trader said.

Currency	Unit	Price	Change
Deutschmark	DM	1.7775	-0.0039
Swiss franc	CHF	1.6170	-0.0003
Japanese yen	¥	161.00	+0.00
British pound	£	1.5450	+0.0000
French franc	FF	6.5500	+0.0000

But the key statistic will be third-quarter gross national product to be released next Tuesday. Forecasters expect a 2.6-percent growth rate. Operators still expect the fifth cent this year in the U.S. dollar rate, now at 5/8 percent, will be looking to this number for confirmation that the economy remains weak, traders said.

The British pound ended unchanged at \$1.5450.

## EUROMARKETS

## Port Sellers Are Squeezed By Danish Issue

**By Christopher Pizzey**  
September was not cited as a major month for the port market.

Sterling-straight bonds recovered to mid unchanged to slightly higher after a shaky start in which losses of up to 1/4 point were noted, dealers said.

The straight Danish bonds paid 7 1/2 percent over five years and were priced at 101 1/4. But after two months, the investors may convert the bonds into floating-rate notes maturing in December 1988 and paying the six-month London interbank bid rate with no margin.

## BUSINESS PEOPLE

## Newsweek International Promotes Luffman to President

**By Arthur Higbee**  
International Newsweek Inc. has promoted Luffman, senior vice president and publisher of Newsweek International, to president.

Mr. Luffman, 45, who was born in England, joined Newsweek International in 1970 as a sales representative in New York and later was named advertising manager for Southeast Asia. He became the first advertising director of the Southeast Asia edition in 1976 and publisher of the Pacific edition in 1978.

He was appointed vice president in charge of operations of the international editions of Newsweek Inc. in 1980 and president of the Southeast Asia edition in 1982 and publisher of Newsweek International, which is based in New York, in 1983.

## Saint Gobain Sets Offer Date

**By Reuters**  
PARIS — The French industrial group and the first state-owned concern to be returned to the public is to offer shares to the public on Nov. 24 or 25, a source close to the group said.

## French Trade Has Slung Into Deficit

**By Reuters**  
PARIS — French trade figures released Wednesday showed a sharp deterioration in the country's recent economic performance.

## BRAZIL: Growth Revives Faith in Industrial 'Destiny'

(Continued from first finance page)  
services but excludes income from foreign investments.

For the third consecutive year, Brazil will have a trade surplus of at least \$1.2 billion, more than enough to cover interest payments on its foreign debt and more than any other nation except Japan and West Germany.

The annual inflation rate rose to 23.3 percent from 22.8 percent in 1985 and was headed for 500 percent early this year. But the so-called Cruzado Plan to freeze wages and prices, announced Feb. 28, almost eliminated inflation, and price increases should be under 40 percent for 1986.

A burst of consumer spending has brought a 30- to 40-percent jump in retail sales. Industries have responded by increasing production to near-capacity, and unemployment has fallen sharply.

In São Paulo, Brazil's industrial heart, newspapers are full with "jobs available" advertising, and many companies are complaining that they cannot find the skilled workers that they need to add extra shifts.

There is simple evidence that Brazil has emerged from the difficult years with a more solid foundation for its future growth. Manufactured goods have jumped from 30 percent of total exports to 55 percent over the past decade.

The country is now self-sufficient in steel, aluminum, plastic, and rubber products, as well as in capital goods that previously came from abroad.

In the case of oil, one of the most vulnerable aspects of its 1970s development boom, Brazil has reduced its import bill from \$9.4 billion in 1980 to \$2 billion this year.

The government accomplished the reduction in oil imports by raising domestic output from 175,000 barrels a day in 1979 to 620,000 barrels today, developing sugar-alcohol fuel for vehicles and, more recently, benefiting from the drop in world oil prices.

## Wednesday's AMEX Closing

Symbol	Price	Change	Symbol	Price	Change
IBM	128.00	+0.25	AT&T	52.00	+0.12
GE	48.00	+0.10	Westinghouse	38.00	+0.05
3M	32.00	+0.08	Boeing	72.00	+0.15
Johnson & Johnson	68.00	+0.10	Merck	42.00	+0.05
Pfizer	35.00	+0.08	Amgen	28.00	+0.05

Symbol	Price	Change	Symbol	Price	Change
Amgen	28.00	+0.05	Boeing	72.00	+0.15
Boeing	72.00	+0.15	Boeing	72.00	+0.15
Boeing	72.00	+0.15	Boeing	72.00	+0.15
Boeing	72.00	+0.15	Boeing	72.00	+0.15
Boeing	72.00	+0.15	Boeing	72.00	+0.15

Symbol	Price	Change	Symbol	Price	Change
Boeing	72.00	+0.15	Boeing	72.00	+0.15
Boeing	72.00	+0.15	Boeing	72.00	+0.15
Boeing	72.00	+0.15	Boeing	72.00	+0.15
Boeing	72.00	+0.15	Boeing	72.00	+0.15
Boeing	72.00	+0.15	Boeing	72.00	+0.15

Tables include the nationwide prices in the United States to Wall Street and do not reflect late trades elsewhere.

Tables include the nationwide prices in the United States to Wall Street and do not reflect late trades elsewhere.

Tables include the nationwide prices in the United States to Wall Street and do not reflect late trades elsewhere.

## INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 15 Oct. 1986

Fund Name	Price	Change	Fund Name	Price	Change
AMERICAN OVERSEAS	12.50	+0.10	AMERICAN OVERSEAS	12.50	+0.10
AMERICAN OVERSEAS	12.50	+0.10	AMERICAN OVERSEAS	12.50	+0.10
AMERICAN OVERSEAS	12.50	+0.10	AMERICAN OVERSEAS	12.50	+0.10
AMERICAN OVERSEAS	12.50	+0.10	AMERICAN OVERSEAS	12.50	+0.10
AMERICAN OVERSEAS	12.50	+0.10	AMERICAN OVERSEAS	12.50	+0.10

BOTTLED IN SCOTLAND

# WILLIAM LAWSON

Finest Blend Scotch Whisky

WILLIAM LAWSON DISTILLERS  
COATBRIDGE AND MOTHERWELL  
SCOTLAND

100% SCOTCH WHISKY

FILLED MATURED AND BOTTLED UNDER BRITISH GOVERNMENT

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613595F for further information.

The measure of excellence

## BUSINESS ROUNDUP

Mannie Hannie Profit  
Rose 5.3% in 3d Period

**United Press International**  
NEW YORK — Manufacturers Hanover Corp. reported Wednesday that net earnings rose 5.3 percent in the third quarter, to \$105.8 million from \$100.5 million a year earlier, reflecting sharply increased profits from investment-banking activities.

Bank of New York Co., parent of the 17th largest U.S. bank, reported a gain of 15.9 percent in third-quarter profits to \$37.9 million, or \$1.82 a share, up from \$32.7 million, or \$1.58, a year ago. The gain was due mostly to an increase in net interest earnings and higher fees.

Marine Midland Bank Inc. said third-quarter net was flat at \$35.4 million, or \$1.75 a share, compared to \$35.3 million, or \$1.73 a share, a year earlier. Marine said that without an accounting change in 1985 that increased earnings, the quarter's profits would have risen 10.4 percent.

Chicago's Continental Illinois Corp. said third-quarter net rose 15 percent to \$41.1 million, or 15 cents a share, from \$35.8 million, or 13 cents a share, a year earlier. Continental, rescued from insolvency by a bailout from the government and a

group of banks in 1984, said the quarter marked its first return to the voluntary market with a \$175-million note offering.

Manufacturers Hanover, whose principal subsidiary Manufacturers Hanover Trust is the fourth-largest U.S. bank, said per-share earnings rose 9 percent, to \$2.29 from \$2.10, partly because of lower dividend requirements on preferred stock.

The figure, which comes to \$1.37 a share, compares with \$1.23 a share, or 60 cents a share, in the year-earlier quarter. Revenue rose 26 percent, to \$2.04 billion from \$1.62 billion.

The results for Digital, the third-largest computer company, were in sharp contrast to those of International Business Machines Corp., which reported a 27-percent drop in third-quarter net earlier this week.

Also in contrast to IBM, which said overseas growth had slowed, Digital said it again experienced a strong demand from European customers.

Company officials attributed the improvement to product offerings and substantial investments in sales and marketing.

Digital Says Net  
Soared 153%  
In First Period

**Reuters**  
MAYNARD, Massachusetts — Digital Equipment Corp. said Wednesday that its profit soared 153 percent in the first quarter ended Sept. 27, to \$152.6 million, spurred by continued acceptance of its networking, or system interconnecting, products.

The figure, which comes to \$1.37 a share, compares with \$1.23 a share, or 60 cents a share, in the year-earlier quarter. Revenue rose 26 percent, to \$2.04 billion from \$1.62 billion.

The results for Digital, the third-largest computer company, were in sharp contrast to those of International Business Machines Corp., which reported a 27-percent drop in third-quarter net earlier this week.

Also in contrast to IBM, which said overseas growth had slowed, Digital said it again experienced a strong demand from European customers.

Company officials attributed the improvement to product offerings and substantial investments in sales and marketing.

USX Planning to Spin Off  
Its USS Chemicals Division

**Compiled by Our Staff From Dispatches**

PITTSBURGH — USX Corp., in a major restructuring step, said Wednesday that it plans to spin off its USS chemical division to shareholders for an estimated \$380-\$450 million.

In a filing with the Securities and Exchange Commission, USX said it would offer 22.5 million shares, priced at \$17 to \$20 a share, of common stock in a new company to be called Arstach Chemical Corp.

It said it would transfer to the new company substantially all of the assets of its USS division. The unit generates about 7 percent of the parent's total operating income.

USX, the No. 1 U.S. steelmaker and the target of a takeover bid by Carl C. Icahn, chairman of Trans World Airline, said the spinoff is part of its program to maximize shareholder value on assets.

On Sept. 22, the company said it would announce within 30 days the results of a study to increase its market value.

USX said it will not hold a stake in Arstach, which is to buy \$150 million of its common stock from USX at the public offering price.

David M. Roderick, the chairman of USX, said "this action culminates many months of planning and preparation." He implied that the spin-off was not related to Mr. Icahn's bid.

## France Increases Profit-Sharing for Workers

**Reuters**

PARIS — The government approved Wednesday a plan to increase employees' shares of company profits while also giving them a greater say in management, a cabinet spokesman said.

The measure, enacted as a decree, aims to extend workers' profit-sharing plans by increasing tax breaks for companies and making the terms more flexible for employees.

It raises the amount that a company can put into a tax-free, profit-sharing savings account and allows workers to withdraw funds from the company savings plan after three years instead of five.

The decree was described by the cabinet as an attempt to boost worker participation in private enterprise.

It also is in line with a government bid to sell up to 10 percent of shares in nationalized concerns to employees when its five-year plan to return 65 state-owned groups to

## France Increases Profit-Sharing for Workers

**Reuters**

PARIS — The government approved Wednesday a plan to increase employees' shares of company profits while also giving them a greater say in management, a cabinet spokesman said.

The measure, enacted as a decree, aims to extend workers' profit-sharing plans by increasing tax breaks for companies and making the terms more flexible for employees.

It raises the amount that a company can put into a tax-free, profit-sharing savings account and allows workers to withdraw funds from the company savings plan after three years instead of five.

The decree was described by the cabinet as an attempt to boost worker participation in private enterprise.

It also is in line with a government bid to sell up to 10 percent of shares in nationalized concerns to employees when its five-year plan to return 65 state-owned groups to

## France Increases Profit-Sharing for Workers

**Reuters**

PARIS — The government approved Wednesday a plan to increase employees' shares of company profits while also giving them a greater say in management, a cabinet spokesman said.

The measure, enacted as a decree, aims to extend workers' profit-sharing plans by increasing tax breaks for companies and making the terms more flexible for employees.

It raises the amount that a company can put into a tax-free, profit-sharing savings account and allows workers to withdraw funds from the company savings plan after three years instead of five.

The decree was described by the cabinet as an attempt to boost worker participation in private enterprise.

It also is in line with a government bid to sell up to 10 percent of shares in nationalized concerns to employees when its five-year plan to return 65 state-owned groups to

## France Increases Profit-Sharing for Workers

**Reuters**

PARIS — The government approved Wednesday a plan to increase employees' shares of company profits while also giving them a greater say in management, a cabinet spokesman said.

The measure, enacted as a decree, aims to extend workers' profit-sharing plans by increasing tax breaks for companies and making the terms more flexible for employees.

It raises the amount that a company can put into a tax-free, profit-sharing savings account and allows workers to withdraw funds from the company savings plan after three years instead of five.

The decree was described by the cabinet as an attempt to boost worker participation in private enterprise.

It also is in line with a government bid to sell up to 10 percent of shares in nationalized concerns to employees when its five-year plan to return 65 state-owned groups to

## Floating-Rate Notes

Oct. 15		Oct. 15	
Dollars		Pounds Sterling	
100% Floating Rate	100.00	100% Floating Rate	100.00
90% Floating Rate	99.95	90% Floating Rate	99.95
80% Floating Rate	99.90	80% Floating Rate	99.90
70% Floating Rate	99.85	70% Floating Rate	99.85
60% Floating Rate	99.80	60% Floating Rate	99.80
50% Floating Rate	99.75	50% Floating Rate	99.75
40% Floating Rate	99.70	40% Floating Rate	99.70
30% Floating Rate	99.65	30% Floating Rate	99.65
20% Floating Rate	99.60	20% Floating Rate	99.60
10% Floating Rate	99.55	10% Floating Rate	99.55
0% Floating Rate	99.50	0% Floating Rate	99.50
100% Floating Rate	100.00	100% Floating Rate	100.00
90% Floating Rate	99.95	90% Floating Rate	99.95
80% Floating Rate	99.90	80% Floating Rate	99.90
70% Floating Rate	99.85	70% Floating Rate	99.85
60% Floating Rate	99.80	60% Floating Rate	99.80
50% Floating Rate	99.75	50% Floating Rate	99.75
40% Floating Rate	99.70	40% Floating Rate	99.70
30% Floating Rate	99.65	30% Floating Rate	99.65
20% Floating Rate	99.60	20% Floating Rate	99.60
10% Floating Rate	99.55	10% Floating Rate	99.55
0% Floating Rate	99.50	0% Floating Rate	99.50

Honda Net Fell  
45% in Half  
On Stronger Yen

**Reuters**

TOKYO — Honda Motor Co. reported Wednesday that group net profit fell 45 percent, to 47.1 billion yen (\$305.19 million), in the first half ended Aug. 31 from 85.36 billion yen a year earlier. Group sales for the half were 1.44 trillion yen, down 4.2 percent from 1.5 trillion a year earlier.

The lower group results reflected a 42-percent increase in the value of the yen against the dollar compared with the year-earlier period.

The yen's rise far outweighed a 14.1-percent increase in Honda's prices in the United States.

The company predicted that group profit would rise 6.9 percent in the fiscal year ending Feb. 28, to 83.5 billion yen from 78.11 billion a year earlier.

Sales were projected to rise 5 percent, to 2.36 trillion yen, Honda said, from 2.25 trillion.

## Company Results

Revenue and profits in millions, are in local currencies unless otherwise indicated.

Japan		United States	
1st Half	1986	1st Half	1986
Revenue	1,440,000	Revenue	1,440,000
Profit	47,100	Profit	47,100
Per Share	1.44	Per Share	1.44
2nd Half	1985	2nd Half	1985
Revenue	1,500,000	Revenue	1,500,000
Profit	85,360	Profit	85,360
Per Share	2.66	Per Share	2.66

Spain's INH Plans  
To Offer Shares  
To Private Sector

**Reuters**

MADRID — Spain's state oil holding company plans to offer half its shares on the Madrid stock exchange as part of the Socialist government's efforts to sell state-owned concerns to the private sector, a company spokeswoman said Wednesday.

"We intend to incorporate the state holding as a public-liability company to offer the public up to 50 percent of our shares," the spokeswoman said, adding that government approval of the laws by Instituto Nacional de Hidrocarburos, or INH, was not expected before next year.

"The idea is to transform the holding into a competitive multinational oil company within the context of the European Community," she said. Spain joined the community last January.

INH was set up in 1981 to group public-sector oil and gas companies. Consolidated net profits of the holding's five member companies last year more than doubled, to \$191 million from \$91 million in 1984.



## We must have been doing something right.

For ten years the Golf has been Europe's most popular car. In Germany alone more than 5 million have been sold.

Our sports coupé, the Scirocco, raced into the lead 19,000 times when Europeans made up their

minds about which car to buy next in 1985.

In America the Jetta heads the popularity charts of "German engineered" cars by a wide margin.

The Passat Variant has been made the Number One estate car by its vast following among sports-

men, do-it-yourselfers and tradespeople.

The Polo is the most popular German small car in the U.K. And even in Japan one in three motorists is dreaming of a German car: the Golf.

What can it be that's made Volkswagen so popu-

lar all over the world? Is it the economy? Or the intelligent engineering? The proverbial reliability? The quality? Or the service?

Well, whatever it is — we must have been doing something right.





for Wed. **Wednesdays**  
**AMEX**  
Closing

Wednesday's  
**AMEX**  
Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Stock	Div.	Yld.	P/E	Sic.	High	Low	Chg.
				Ind.			

(Continued)

D		E		F		G		H		I		J		K		L		M		N		O		P		Q		R		S		T		U		V		W		X		Y		Z																																																							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100

Wednesday's  
**OTC**  
Prices

NASDAQ prices as of  
4 P.M. New York time.  
Via The Associated Press

	Day	Yr	Series in 1000	Mean	Low	4 P.A.	High
--	-----	----	-------------------	------	-----	--------	------

[illegible][illegible][illegible]**NYSE Highs-Lows**

NEW HIGHS 29			
Amstar of Canada of GIANT Sp KCPCL 4000	Bonanza n KMTCH KCPCL 2200	Bozell Patterson Neuhaus 28	Calwest Gofrac of Neuhaus 28
Novelty in Power Can Hemlock Trinidad of Westvaco S	Aluminum Pittman 3000 Hedding in Talex Can Wheel-Lock	Lowell in Pittman 3000 Sawyer Sci Talex Can Vest Air Yorkland n	Malpica of Neuhaus 28 Malpica n Pittman 3000 Sawyer Sci Talex Can Vest Air Yorkland n

  

NEW LOWS 17			
Barr/Wright Decorative Landscape Singer of Singer of	Belmont Decorative Raglan/Ford n Tropic	BelCanto GEO Int Raglan/Ford n USX 10000	Cash/Unid n Guth Inter Raglan/Ford n WestCoMA





## SPORTS

# Everish Aucklanders Take Cup Foes Hot

By Angus Phillips

Wellington Post Service

REMANTE, Australia

...on men who Michael Fry,

...ally investment banker from

...land, New Zealand, with a

...chast for breeding and racing

...and no interest at all in

...ing, was roped into bankroll-

...ing into the world's biggest

...out race.

...ow he has America's Cup fo-

...and has it hot.

...Swamp-water fever, we call it,"

...I say, 57. "It goes into remi-

...from time to time, but it never

...s away."

...y's fever is raging these days

...New Zealand team and its

...champion fiberglass 12-meter

...up in the competition in the first

...of state to select a challenger

...the cup final in January.

...New Zealand, the sleek, white

...sailed last year's first 12-meter

...to be built of fiberglass, was 9.0

...the Wednesday's race and the

...yhead-on boat still left in the

...at 10.

...In addition, Fry and his mates

...easily were embroiled in the

...center of New Zealand's novel

...struction. New Zealand and

...y &amp; Skips, at 8-1, were to sail

...with each other Thursday.

...New Zealanders drink strong

...and plenty of it, but interna-

...tional politics and competition

...and make a heady brew even

...them.

...A year ago they had never had a

...center peak of their own. Now

...Kiwis are protagonists in a bad-

...game Canterbury.

...At the climactic 12-meter, at

...fish and chips shops and in the

...be, the daily question is, "How

...the Kiwis design."

...Jack Jones across the Tasman

...and New Zealand's 3.3

...sailed last year's first 12-meter

...ly, Fry's peak at syndicate head-

...on High Street is littered

...in letters and T-shirt messages.

...Don't let the Kiwis get away you

...a 1-2, pleaded one view from

...householder concerned about

...user's call for more samples to be

...an from New Zealand's hull.

...They're sending something

...a chess-o-matic to the Kiwis

...in hundreds of signatures," said

...y. "This thing is getting just a

...bit weird."

...And unexpected. As recently as

...a year ago, no one would have

...zed to be a force in the

...cup.

...Fry brought his unbridled

...and two untested boats here

...1 February to race in the 12-

...ter world championships.

...The boats were barely out of

...the racing crates when the Kiwis

...pped. As Chris Dixon, team 23

...one year removed from a sec-

...-place finish in the two-man,

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

...sailed last year's first 12-meter

local fans among Australian neighbors, who love a long shot, and a

new fiberglass boat, launched in

August, that has the opposition

nervous.

"They're very obviously competi-

tive," a fast boat, and Comar's

design coordinator and national

trimmer, John Marshall, a veteran

of three cup campaigns. "As the

season goes on, the range of the

designs in varying wind and sea

conditions, and the experience

and maturity of the crew will be

tested. But there's certainly one

of boats to watch."

Comar is concerned that New

Zealand may have an unfair advan-

tage over the rest of the otherwise

all-aluminum fleet if it turns out

that the boat is as heavy as the

metal boats. But the weight distribu-

tion as required by cup rules.

But the New Zealanders say the

boat was built precisely to 12-meter

specifications, and the weight of

the fiberglass hull is not a

disadvantage. A Lloyd's Registry of Shipping

inspector who certified it. Any

speed advantage comes from the

superior strength and rigidity of

fiberglass, they say.

"Do they intend to volunteer

any information on how New Zealand

was built?"

The situation of New Zealand

advancing technology," said

Fry. "Fiberglass has been consid-

ered as a 12-meter option for years,

but everyone else moved away

from it."

"Few things can escape 500 to

600 million TV viewers," he said.

"Maybe Wimbledon, a royal wed-

ding."

"The American Cup has the

ability to be one of the six or eight

events that can capture the entire

world's attention," he said.

"Think what that could do in a

country our size."

## SPORTS BRIEFS

## Chinese Gymnast to Compete in U.S.

FULLERTON, California (AP) — Li Xiao Ping, known as the "Great Bird" for his grace on the pommel horse, has been declared eligible to become the first Chinese gymnast to compete for an American university.

Although Li, 24, can compete for California State Fullerton for only a year because of NCAA age rules, his presence here will do a lot for the sport in this country, says Robert Cronin, men's program director for the U.S. Gymnastics Federation.

A member of the silver medal-winning Chinese team in the 1984 Olympics, Li will join the U.S. Gymnastics Federation's 1985 national college national championships in Houston on Dec. 13. He has been attending classes this semester awaiting word from the NCAA.

Li's father, a coach and a school official, said that after his year of eligibility is up, Li will become an assistant coach at Fullerton.

For the Record

The Chicago Bears said they have acquired the rights to Heisman Trophy winner quarterback Dan Fouts from Los Angeles Rams for a future draft choice, and plan to sign him to a 1987 contract so that he can play in an emergency this season. (AP)

Olympic ice hockey was among the sports that the IOC considered for the 1992 Winter Olympics, including NHL players. (UPI)



Gary Carter singled in the 12th for the winning run and gave the Mets a 3-2 playoff lead.

# Nolan Ryan's Most Memorable Return

New York Times Service

NEW YORK — Exactly 17 years

ago passed since the third game

of the 1969 World Series when Nolan

Ryan, the Mets' pitcher, threw a

perfect game. Ryan, who was 30

years old, had just returned from

a 17-month absence from the

Mets because of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

## VANTAGE POINT/George Vecsey

"Was it the same date?" asked

Red Hershman, the Mets' third

base coach Tuesday, their spring

shortstop Ryan, who was 30

years old, had just returned from

a 17-month absence from the

Mets because of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

Ryan, who was 30 years old, had

just returned from a 17-month

absence from the Mets because

of a knee injury.

